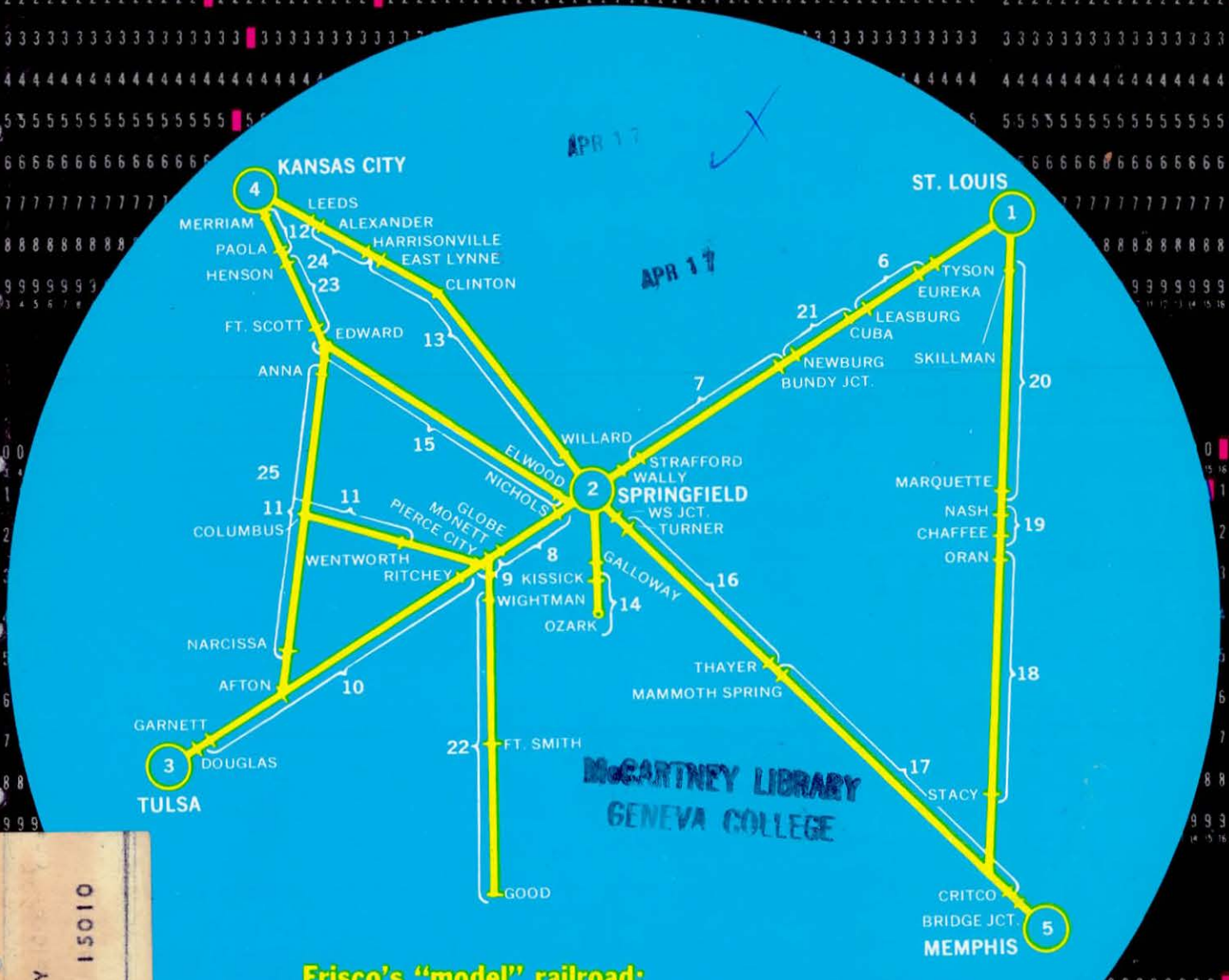
READING AND ITS UNIONS: WORKING TOGETHER

APRIL 17, 1967

RAILWAY AGE

THE TRANSPORTATION WEEKLY



Frisco's "model" railroad:

A computer maps out some operating answers

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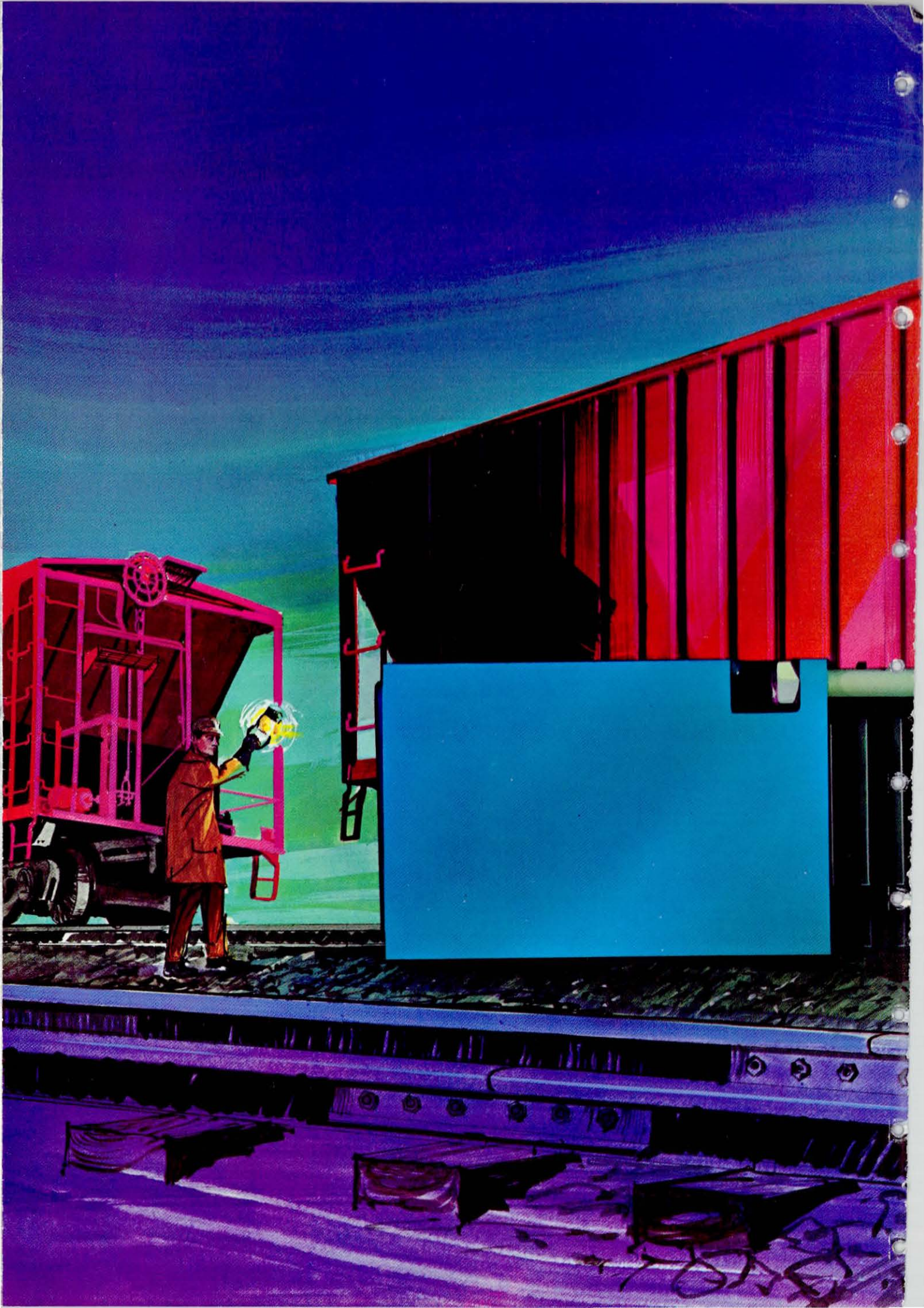

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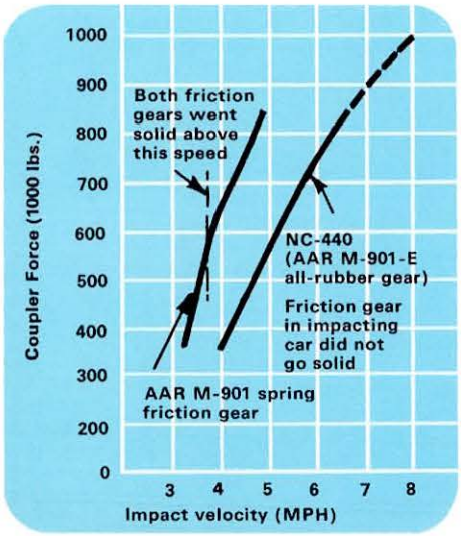
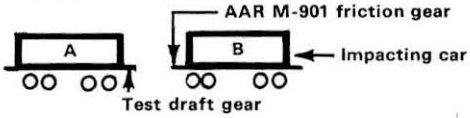


Car Impact Tests,
comparison of AAR M-901 spring friction gear and National NC-440 All-Rubber Draft Gear, conducted at National Technical Center, Cleveland (Test 6367-1).

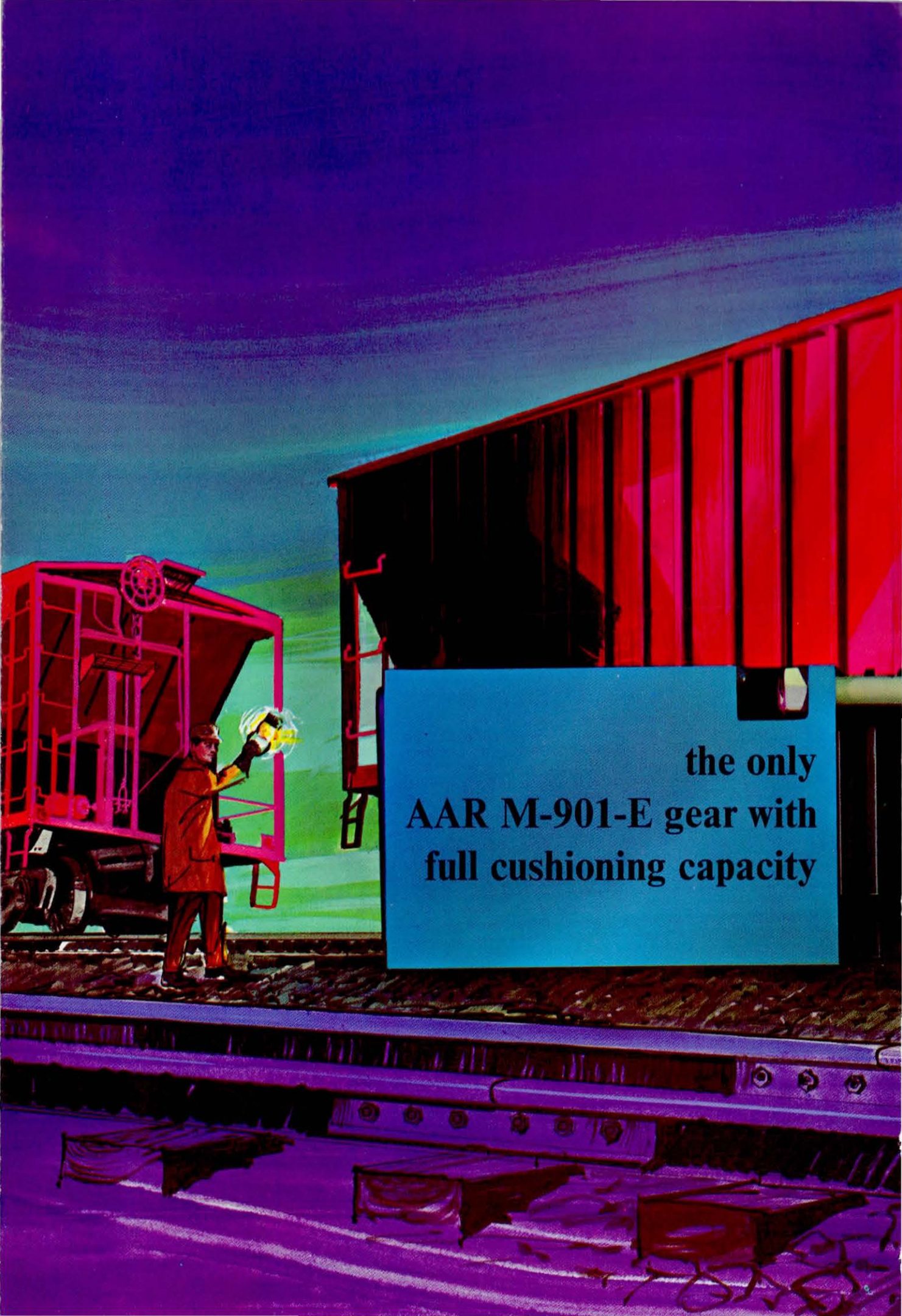
Test Conditions



Car A and Car B — 70 ton covered hoppers
Sand load = 220,000 lbs on rail
Per AAR Spec. M-901G

8940-A

*AAR Certificate of Test Approval No. 44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RAILWAY AGE

April 17, 1967 • Vol. 162, No. 15

THIS WEEK

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16 Computers mean better railroading

The Frisco, for example, is using the electronic brain to minimize trial-and-error aspects of decision making.

PART II

18 Improving car utilization can be easy

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21 Reading works out peace pacts with labor

Both the railroad and its employees are benefiting from a series of pioneering, individual agreements.

40 Viewpoint—Bill White's "luck"—and his legacy

The late chairman of the Erie Lackawanna lightly attributed his success to chance, but his colleagues knew better.

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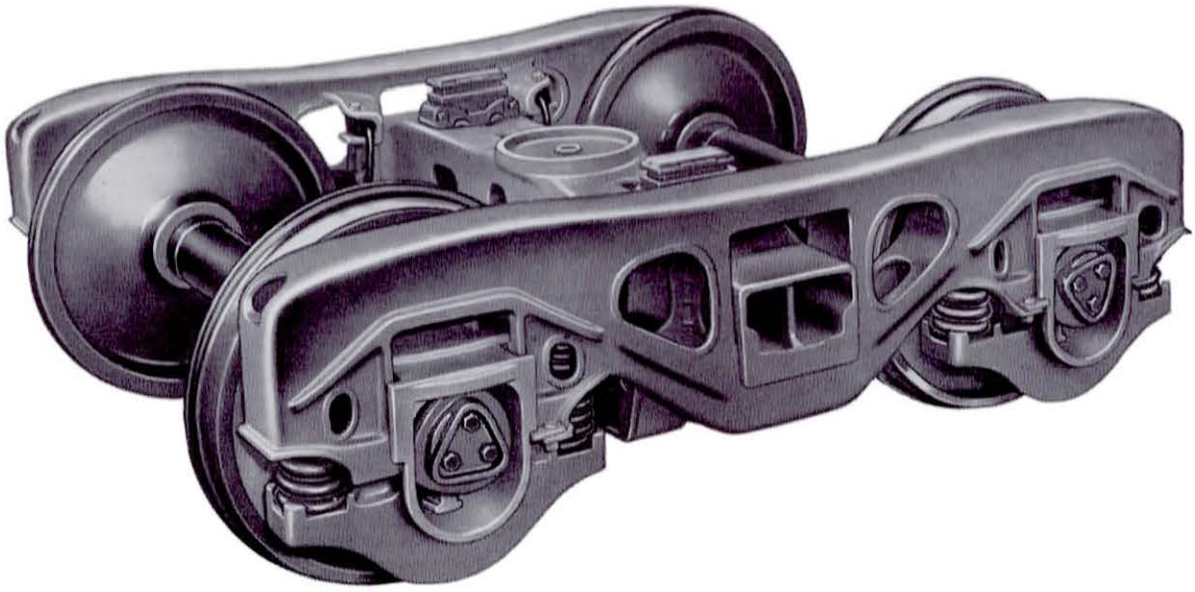

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SYMINGTON WAYNE TRANSPORTATION EQUIPMENT

SHORT AND SIGNIFICANT

Trucking operations halted, then resumed

Slowly but surely—with one major exception—trucking operations were heading back to normal last week after a hectic few days marked by selective Teamsters walkouts and a broad shutdown by major operators. With a Taft-Hartley back-to-work injunction possibly in the offing, negotiations continued—and settlement actually came rather quickly. Cost of the agreement to employers has been estimated at anywhere from 56 cents an hour to more than 70 cents, over three years, including wages, fringe benefits and possible cost of living adjustments. Truck rate increases seem likely to follow. But by week's end, most trucks were rolling again—except in the Chicago area, where Teamsters were holding out for a package totaling 90 cents an hour. Meantime, railroads—having their own labor problems with the shopcraft unions—were reacting as best they could. Effects of the strike were spotty. In some areas, piggyback operations continued on a close-to-normal basis. In others, including Chicago, pick-up and delivery service was disrupted to some extent.

●

ACF makes some top management changes

ACF Industries, Inc. will have a new board chairman, a new president, and a new chairman of the executive committee as of May 1. The company announced that John F. Burditt will fill the position of chairman, and Henry A. Correa will become president. ACF's present chairman, William T. Taylor, will become chairman of the executive committee, and Russell C. Taylor, president and a director of the company, will retire from both positions for reasons of health. Burditt and Correa were elected vice presidents, executive department, in 1963 and have been executive vice presidents and directors since 1965.

●

Switchmen accept 5% wage increase

A wage offer that didn't look so good last winter apparently looked much better as Spring rolled around—and thus a wage-benefit dispute with the Switchmen's Union of North America has been settled. Last December, SUNA members rejected the 5% pattern wage offer by a 3-to-2 margin—but when the votes were counted last week on a second go-round, SUNA officers found the membership approving the settlement by a 4-to-1 margin. Two factors may have swung the switchmen from negative to affirmative. First, the carriers have agreed to increase health-and-welfare insurance premium contributions in order to maintain benefits at present levels, and they've agreed to provide life insurance for newly-retired employees. Second, observers are inclined to believe that SUNA members, reluctant to be among the first to accept the pattern, may have changed their minds when they saw the pattern holding up in settlements with a number of other unions. SUNA members' wage increases will be retroactive to last August; re-opening is permitted next Sept. 1.

●

UP broadens its industrial development horizons

Union Pacific's stepped-up industrial development program scored another gain last week, with the acquisition of 309 acres of property in the heavily industrialized area between metropolitan Los Angeles and the Los Angeles and Long Beach harbors. The land was made available through liquidation of the Dominguez Estate Co., one of the Southwest's oldest landowners and a corporate descendant of the first Spanish land grant in America. Today, the land is mostly under agricultural lease, with the exception of about 18 acres occupied by a drive-in theater.

MONDAY MORNING REPORT

Coming soon: New rail entry in Official Guide

The Seaboard Coast Line Railroad, a southeastern system that would rank eighth in mileage (9,624) among U.S. railroads, with assets of more than $1.2 billion, had all the bettor's earmarks of being a sure thing last week. Although letterheads and timetables bearing the new designation haven't rolled off the printing presses yet, there was little doubt in railroad circles that the long-expected amalgamation of the Atlantic Coast Line and the Seaboard Air Line had cleared the last legal switch. The reason: A U.S. Supreme Court ruling that upheld a lower court's approval of the merger. And reconsiderations of high court rulings are rare.

A long fight leading to a big victory

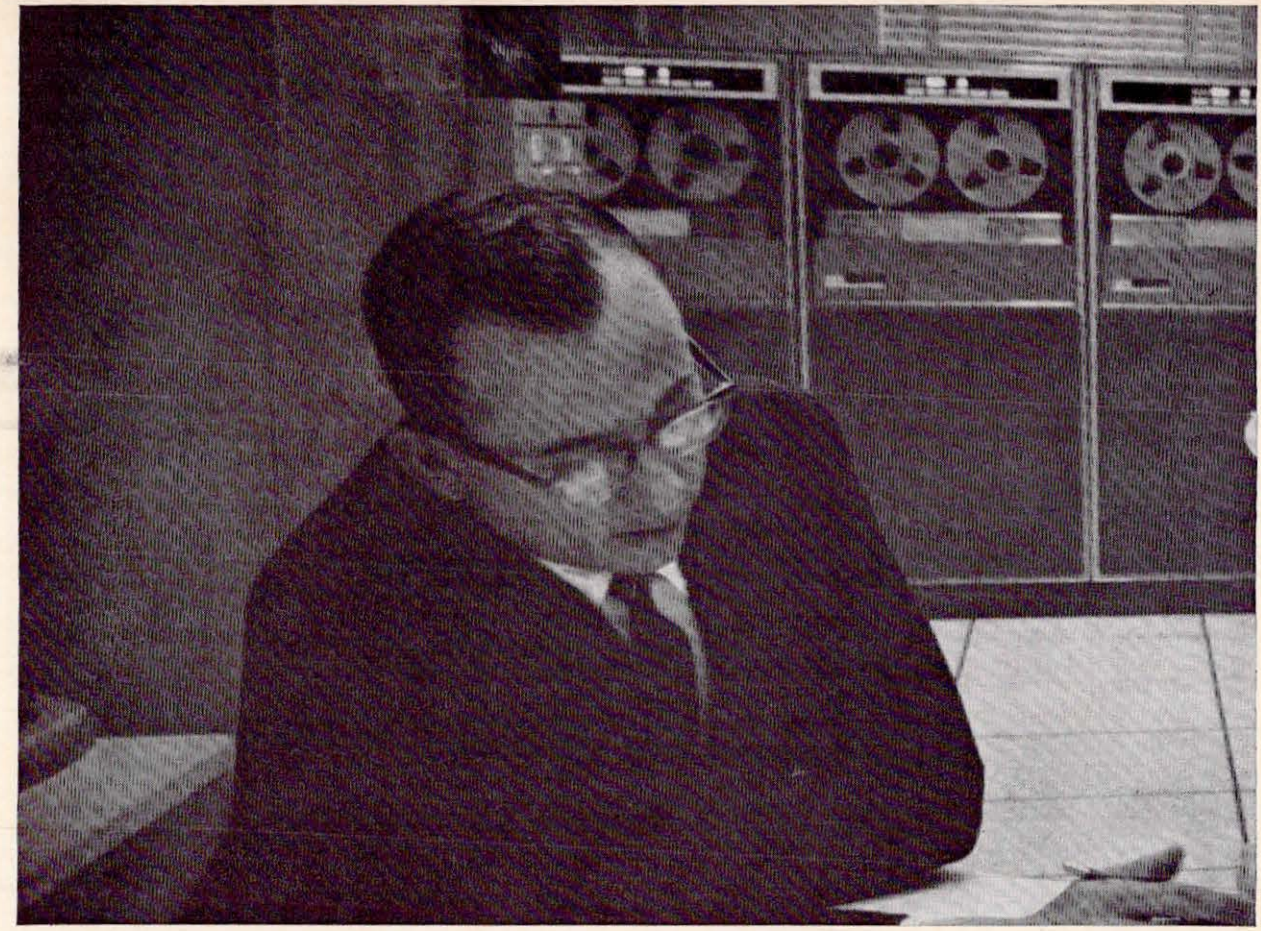
Consummation of the ACL-SAL merger (although opponents still have 25 days to ask for reconsideration of the ruling) is expected soon. It would be the first big rail consolidation of 1967, and mark the end of a long struggle, against strong Department of Justice opposition, by the two railroads to unite. The Justice Department has fought the merger on antitrust grounds, charging that the ICC failed to consider the consequences of the elimination of competition between the roads. By its ruling, the high court, in effect, was backing the ICC's Congressionally-granted authority to have the last word on the rail merger. The conclusion is that the regulatory agency had taken the proper steps to weigh the antitrust and public service aspects of the case.

Making the legal rounds

The Seaboard and the Coast Line have been on the merger road since filing an application in 1960. The ICC approved the railroads' plan in 1963, but opponents of the marriage—among them the Southern and the Florida East Coast—filed petitions for reconsideration and the case was dumped into the laps of a three-judge federal court in Jacksonville. The Florida court set aside the Commission's order, saying the ICC had not made basic findings required by the Clayton Antitrust Act. Answering back, the ICC and the ACL and SAL appealed to the Supreme Court, and the high court vacated the order of the three-man court and remanded the case to the lower court with instructions to fully review the ICC "O.K." order to see if the Commission had done its antitrust duty. In June of last year, the three-judge court handed down a unanimous opinion sustaining the Commission's order. The opponents again appealed to the Supreme Court. The high court has now given its answer.

A financially-sound way to begin marriage

The jubilation in Jacksonville and Richmond railroad headquarters was expressed, although in somewhat restrained terms, in a joint statement by ACL President W. Thomas Rice and SAL President John W. Smith: "We are enthusiastic about the great potential of the Seaboard Coast Line Railroad," they said. "We are convinced that the merged company will be able to perform a far better transportation service for the Southeast than ever before." The new company will maintain general offices in both Richmond and Jacksonville, with Seaboard's Smith as chairman of the board, and Coast Line's Rice as president. The merger is expected to result in annual savings of about $38 million after five years, and combined employment will be about 23,000 persons. The marriage partners face their approaching wedding day in solid financial condition—operating revenues of the two roads were $404 million last year—and it will remain to be seen whether, as one of their opponents charged, the new system "will remake the railroad map of the entire southeastern U.S."



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Freed of these activities, the operator can concentrate on handling the conditions that may be impractical to attempt to program, such as motor car and work train movements. In addition, he can take over at any time that conditions warrant.

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WEEK AT A GLANCE

Congress throws a block at the shopcrafts

With a major rail strike in prospect and no way to head it off under the Railway Labor Act, the Administration and Congress moved quickly last week to tack 20 more days onto a post-emergency-board-cooling-off period and give management and the shopcraft unions "a last clear chance" to settle the dispute.

In his request to Congress President Johnson seemed to indicate that further governmental action will be proposed if the extension fails to produce an agreement and the removal of the strike threat. "More drastic measures would have been proposed," he declared, "but I believe the parties should be given one more opportunity—a last clear chance—to resolve their differences in their own way, in the spirit of free collective bargaining."

The response was overwhelming. A joint resolution covering the extension was rushed through Congress with hardly a dissenting vote—by 81-1 in the Senate, and by 396-8 in the House. Principal criticism voiced was of the Administration itself, for failing to have proposed general strike-settling measures. By the time the resolution cleared, the President was in Uruguay for a Western Hemisphere trade meeting—so the document was flown to him by Air Force courier plane for his signature. Said Mr. Johnson: Unions and carriers should "use every hour of these 20 days to negotiate a settlement." Otherwise, he added, "Congress will again be required to help avoid the terrible consequences that will flow from a nationwide rail strike."

The dispute, involving six organizations representing about 22% of the rail work force, has already run the full course of the Railway Labor Act. An emergency board recommended that the unions accept the pattern 5% wage increase.

D&RGW moving ahead with computer control system

With installation of a computer-controlled Teletype message switching system, Rio Grande has moved a step closer to achieving round-the-clock computerized control of car and train movements.

Major benefits of the system, says D&RGW's William J. Day, "will be achieved when, in the near future, the information entered directly into the computers from the various points on the railroad will be processed quickly and returned to where the action will take place. Coupled with the railroad's recently-created Transportation Management Control Center, the computerized system will permit responsible officers to act immediately upon situations practically anywhere and almost as they are developing."

Day, Rio Grande's director of management information services, says further expansion of the communication-computer tie-in is scheduled throughout 1967: "Plans call for the eventual tie-in of 27 Teletype circuits connecting 51 Teletype machines to the computer. The two leased circuits linking Rio Grande's traffic agencies throughout the country will be linked to the computer in the fall. Equipment to accommodate TELEX and TWX Teletype transmission will be incorporated shortly to give the railroad a full spectrum of communication capability throughout the country."

Insurance pact still under study

Negotiators for the Order of Railway Conductors & Brakemen returned to Chicago April 17 to try to reach agreement on continuation of insurance benefits for those employees represented by the ORC&B. Premiums paid in thus far have provided coverage through Mar. 31. Under terms of a stipulation agreed to by union and carrier negotiators, the carriers will continue to set aside $23 per month per employee to be used for purchase of insurance from an insurance carrier to be selected. That's the same sum previously fixed and indications are that it will buy about 80% of the coverage which has been in force with Travelers Insurance Co. Certain questions have been raised involving protection of employees after April 1, but ORC&B spokesmen are working on the assumption that this coverage can be provided and that for all practical purposes there will be no interruption in protection. Meanwhile, there has been little movement in the ORC&B wage case.

P&S Division? You mean the P&MM Division

Under a reorganization plan which got member-road approval without a single dissenting vote, the AAR Purchases and Stores Division next autumn becomes the Purchases and Materials Management Division—and the name's not all that will be new. At present, for instance, the P&S Division has nine separate subject committees, in addition to an index and interchange price committee and four liaison people with other AAR committees.

Under the new plan, there will be just six standing subject groups—on training, material handling, purchasing measurements, inventory control, data systems and liaison with other organizations. Changes will also be made in the makeup of the General Committee. Now, membership levels fluctuate with a base of 20 elected members plus all past Division chairmen. In the future, the Committee will have 21 members, and a past chairman may not be re-elected to the group until one year after expiration of his term as chairman.

The reorganization plan was worked out by a six-man committee of top P&S officers—H. M. Hoffmeister, vice president-purchases and stores, Missouri Pacific, as chairman; W. I. Johnson, director of purchases, Louisville & Nashville; J. R. Cade, general purchasing agent-system, Southern Pacific; W. J. Eck, vice president-purchases and materials management, Chesapeake & Ohio/Baltimore & Ohio; F. T. Brandt, director-purchases and stores, Bessemer & Lake Erie; and M. P. Richards, vice president-purchases and stores, New York Central. Their plan, approved by letter-ballot, goes into effect at the close of the 1967 Division meeting, set for Oct. 9-11 in Chicago.

GUS WELTY'S LINES ON LABOR

WELTY

BROODING was the order of the day. And the chief brooders had to be in the ranks of rail labor—among men who, having settled their own disputes with the railroads, were watching another rail labor mess bounce from bargaining room to the White House to Congress. The tension let up just a bit when all the President asked, and all Congress gave, was a 20-day extension on negotiations with the six shopcraft organizations. But by no means are many union people regarding their position as improved. What if the 20-day last-chance for collective bargaining doesn't work? Or, even if the shopcraft dispute can be settled, what about the next tough case to come along? In short, how far can the President and Congress be pushed, before reaction comes swiftly and vigorously — and rail labor finds itself living in a no-strike atmosphere?

MOST CERTAINLY, the Adminstration would be reluctant to propose strike-banning legislation, called by any name. Most certainly, Congress would be reluctant to pass it. But reluctance shouldn't be mistaken for refusal.

THE POWER OF LABOR, politically, may have been overstated for some time. And, if this be true for organized labor generally, most observers would guess that it goes double for rail labor. It's interesting to note, as some reporters did, that the resolutions dealing with the threatened shopcraft strike sailed through House and Senate with little or no outcry from those ranked among labor's staunchest defenders on Capitol Hill.

CONGRESS CAN'T BE BLAMED for feeling uneasy about the whole state of rail management-union relations. The shopcrafts are militant. The Order of Railway Conductors & Brakemen may yet hang tough in its wage case. The Brotherhood of Locomotive Engineers is still unsigned, and while big problems aren't in the forecast, anything's possible. To top it off, cases relating to the arbitration award in the work-rules case are still kicking around the courts. And next autumn the whole wage-benefit go-round may start up again.

THE RESULT MAY BE that proposals to make emergency-board reports binding will get more serious consideration than they've ever had before. So far as Congress is concerned, there would be certain advantages to taking action in this way. The settlement machinery itself would be familiar to all parties; the essential change would be in giving boards power to make decisions, not just recommendations; recourse to the courts could presumably be provided, as it is under certain circumstances in arbitration under the Railway Labor Act today.

RAIL LABOR may well choke at proposals like these. But, given enough provocation, Congress might well decide — that it's force-feeding time.

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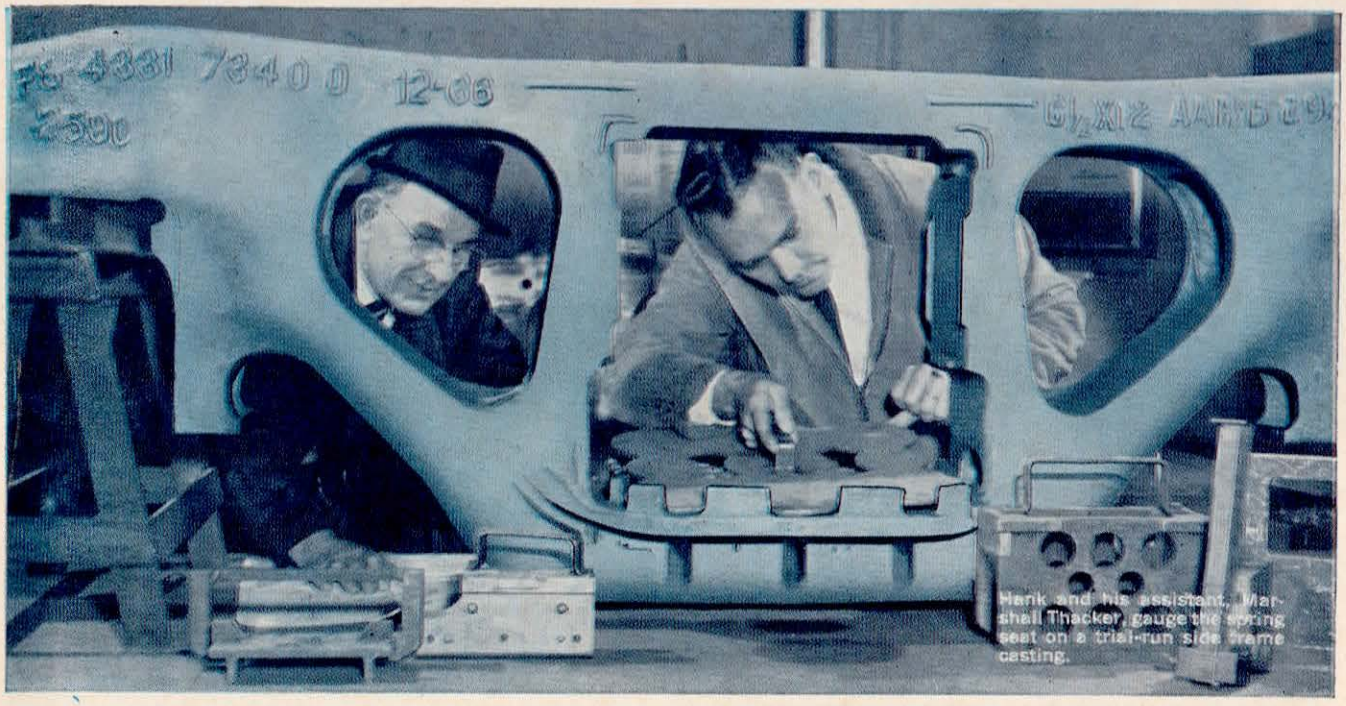

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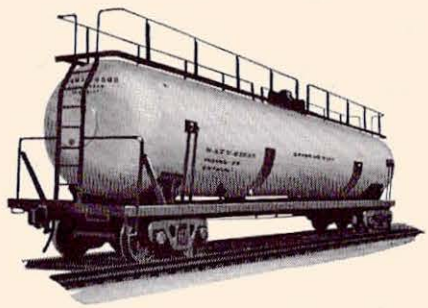

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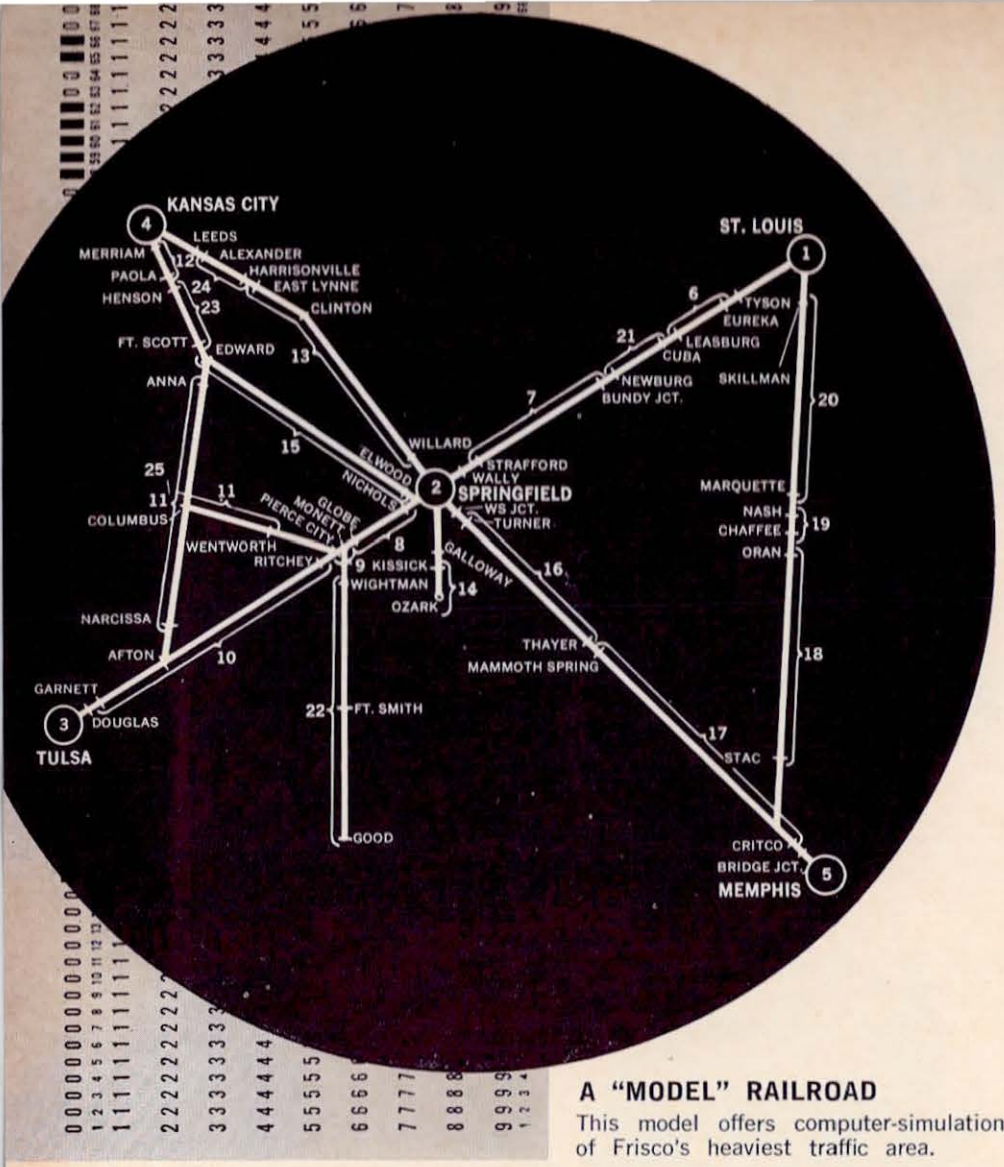


A "MODEL" RAILROAD
This model offers computer-simulation of Frisco's heaviest traffic area.

Why computers mean better railroading

The Frisco's announced goal is to use the electronic brain to minimize the trial-and-error aspects of major decision making.

By GUS WELTY

The model that's getting the eager-eye on Frisco these days doesn't measure 38-24-36. It isn't the kind of model you'd take out to dinner.

Frisco's favorite model, in schematic form, actually looks something like a wounded butterfly. It exists mainly in the minds of men, in charts and scribblings on pieces of paper, and in the complex circuitry of the computer. Someday—perhaps before long—this model will be providing Frisco officers with Grade A ingredients for Grade A decision-making in areas where decisions today are necessarily somewhat laced with guesswork.

What Frisco has, right now, is a network model for computer-simulation of operations on that part of the railroad system which handles about 90% of the traffic and includes five major terminals—Memphis and St. Louis on the east, Kansas City and Tulsa on the west, Springfield, Mo., at the hub.

• **Up to the minute.** Little more than a week ago, Frisco was scheduled to make its test runs on the network model—runs which Manager of Industrial Engineering J. A. Bellman was looking forward to with keen anticipation. Through the computer simulation, Frisco was figuring to test new blocking policies and patterns, and to try out varying concepts of short-train vs long-train operation. Says Jack Bellman, with relish, these runs "should be most interesting."

If all goes as planned, analysis of the tests will be completed by June 1. Then will come review of the findings by operating-department people—and, perhaps, certain changes in Frisco's ways of doing business.

Bellman emphasizes that the network model and the computer will be acting in an advisory capacity. Simulation runs can provide indicators and they can show trends. Hopefully, they can point to "on the one hand, this, and on the other hand, that" alternatives. But, as Bellman never forgets, men make the decisions by which Frisco lives. His goal is to refine the network model to the point where it can minimize the trial-and-error aspects of major decision-making and, in a way help improve operating practices to take fuller advantage of present railroad technology.

• **How it all started.** Frisco's involvement in simulation studies dates back several years. It had been involved in work being done at Battelle Memorial Institute. Then it became intrigued with a project developed by Dr. William P. Allman. The upshot was that Frisco and Dr. Allman joined forces in a program operated through the National Bureau of Standards.

Frisco sent an industrial engineer and a system engineer to simscript school to learn the simulation language, and the two men were assigned full-time to the project a year ago. A programmer was put to work, and Frisco's IBM 7070 and 1401 were brought into play, to get operating and traffic data in usable shape for the model.

Since the railroad joined the project, a number of changes have taken place. Dr. Allman has gone on to join Chicago & North Western as director-applied systems research. Frisco has switched the base of computer operation from the NBS in Washington to St. Louis, using a computer installation

PLANNING A COMPUTER RUN
Left to right: Lyle Reed, assistant industrial engineer; J. A. Bellman, manager of industrial engineering; P. K. Misra, industrial engineer; and E. C. Reeve, transportation supervisor.

at the McDonnell (Aircraft) Company. And by the end of next year, the railroad may have the computer capability on the property, after installation of IBM 360 systems.

In addition, Frisco participation led to changes in the model itself, to bring it more in tune with real-world operation and to provide necessary flexibility. Additions to the model included recognition of traffic class, a capability of taking connection and classification cuts in any specified sequence, and the association of cutoff lead times with individual trains.

• **The improved model.** Most recently, Frisco increased the number of nodes, or keypoints, from nine to 25; it has increased the number of scheduled trains covered from 28 to 51; and it has made provision for operating extra trains.

With proper inputs and programming, Bellman notes, the model should be able to predict the consequences of alternative decisions for such operational questions as:

—How should schedules be arranged between given sets of points?

—How do advantages and disadvantages stack up as betwen short trains run frequently and longer trains run less frequently?

—How much pre-blocking should be done? And where should it be done?

—What are the best blocking policies for each yard on the system?

—How should car-classification activity be distributed among Frisco's various yards?

—What cars should be classified into what trains at each yard?

—What changes in yard layouts are advisable? And is there a need for new facilities, say a new hump yard?

Already, certain answers are rather strongly indicated, from work with the model and from more sophisticated investigations of operating practice outside the computer framework. Frisco, for instance, is beginning a major yard-improvement at St. Louis. And serious consideration is being given to other major facility changes.

Frisco and its industrial engineers, however, aren't rushing into decisions before all the available facts are on the table. They watch, with considerable interest, other roads' decisions on such questions as short-vs-long trains, or pre-blocking at Point A for Points B, C, D and E. And, while operating-department officers on Frisco are making decisions on problems like these as apparent need arises, still there's a feeling throughout the organization that perhaps better decisions can be made after the network model has been put through its paces.

• **Stressing cooperation.** Frisco's approach to simulation has been an inherently practical one. The road will borrow from the work done by others and give full credit—as it does with Canadian National, and CN's accomplishments in this field. At the same time, Frisco's door is open to people from other roads who want to see what's going on—and representatives from some 15 other railroads have come onto the property, as a for-instance, to find out about the Frisco Transportation Quality-Control Program.

Twenty-five stations now

Practicality in operation also shows up in the model itself. The original nine keypoint nodes were St. Louis, Springfield, Tulsa, Kansas City, Memphis and four lesser terminals. Now, however, the model embraces 25 individual stations, with intermediate points assigned to one of the 25. Alternative routes have been included, as have additional lines south from Springfield and Monett, Mo.

And Frisco is far from done with the tinkering. As Jack Bellman puts it, "this is a basic, deterministic model—and being deterministic, everything's constant. There's very little flexibility. But we're getting closer to the point where we'll have a dynamic model. One of these days, we'll get that—a modular, dynamic model—as we become more versed in simulation."

• **What's ahead?** Frisco is working with such things as a train-performance calculator and a single-track capacity analyzer. On TPC, for example, analysts have tested about 500 various combinations of power and train length and tonnage over various segments of the system. All the factors are worked into the problem—gradient, curvature, locomotive-and-car resistance, locomotive performance characteristics, the effects of speed restrictions and so forth. The output, hopefully, gives the operating department what it needs to solve schedule problems: To meet a given schedule between given points, what's the optimum on power, tonnage, train length?

As the model comes closer to real-world conditions, Frisco will be able to solve for answers on problems such as the reduction of ruling grades, or the advisability of using mid-train slave locomotive units. Eventually, says Bellman, with a sort of short-term, far-away look in his eye, "the state of the art will get that far."

Meantime, Frisco's IE manager and researchers P. K. Misra and Lyle Reed, plus Transportation Supervisor E. C. Reeve of the transportation department, are working away with what they have. They know, for instance, that they need continuing advice from the operating department, through the office of the general superintendent of transportation, to make sure that the computer work recognizes the actual facts of railroad operation. This, they get. They also know that the model will have to deal with variations—that railroad operations in January aren't railroad operations in June. So, they'll be testing for various time periods, to take into account seasonal patterns—which affect normal traffic flow and dictate certain changes in operation.

• **How it happened.** Technology has made possible that which Frisco's doing—because, as Bellman says, "in the past, the sheer volume of data required to get alternatives made it not feasible to go into railroad network analysis. Now, though, the large-scale digital computer makes it possible to go into this kind of analysis on a scale that wasn't thought possible. Accurate and timely car status data, reported through the extensive Management Information Control System (MICS) is the vital ingredient in this model."

Perhaps the biggest single benefit to come from the total approach may come in the provision of information which will lead to an even better operation of the railroad as one entity. Frisco has set the stage for this kind of operation through judicious development of operating and sales people and through its program of giving operating personnel a substantial taste of responsibility for sales. The network may take the educational process a step or two beyond.

In the original model, seven traffic classes were defined—loaded refrigerator cars, loaded auto-racks, loaded piggyback cars, empty racks, all-other loaded cars, empty piggyback cars and

all-other empties. Now, traffic is assigned to one of four groups—in a simplification perhaps more in keeping with real-world operation. Group 1 covers high priority loads. Group 2 embraces other loads, empty auto racks and empty piggyback flats. Group 3 holds other empties, and Group 4 is the category for oversize loads.

Output, via the model, will give yard "snapshots" at chosen intervals—the number of cars in the yard, the number originated, the number set off, the number classified, the number in each traffic group and the average wait time. There are also reports on train departures and transit-time averages for various origin-destination combinations.

● **How it has worked.** Some time ago, Frisco made simulation runs using specified train capacities and then unlimited train capacities. Bellman takes the story on: "For each run, traffic is allowed to enter and leave the system for three full days to properly initialize the model before actual simulation is begun. The run simulates seven days of operations after the three-day initial period. In order to make validation comparisons to study how well the model represents an historical period, we chose these performance measures —origin-destination transit times, train volumes and yard volumes. Origin-destination transit times represent the level of service rendered to the customer, and they can be used to judge if changes in policies cause an increase or decrease in the quality of service. Train volumes are a good indicator of how well model trains represent real-world trains. The model reports the number of cars on a train by their model destination, plus the number of cars picked up at each yard by set-off destination. Car volumes by class group and destination, are a good indicator of yard situations. The number of cars on hand at a yard at midnight is significant, too, when you consider per-diem costs."

That was some time ago. Bellman found at that point that additions to the model would be necessary "before it can satisfactorily represent a period of railroad operations."

Now, with the changes made and the runs being scheduled this month for analysis by June 1, Frisco may be about to come up with new answers.

On Jack Bellman's desk in Springfield, there's a printed motto to the effect that "I've got all the answers—if you have the right questions." That may be just a bit premature—but maybe not for long, as Bellman and his small staff go about the job of developing both the right questions and the answers that go with them.

ON THE FRISCO

Improving car utilization can be a simple matter

The Frisco is using computer technology in a program designed basically to beef up freight-car performance through terminals.

Better freight-car utilization doesn't have to be a horribly complicated, terribly expensive thing—as Frisco seems well on the way to proving.

As computer technology goes, Frisco is well out of the abacus stage. But it's not the hardware, nor even the manpower involvement, that makes this better-service, better-utilization program impressive. The striking thing is the result—and Frisco claims both more consistent service for its customers and a startling increase in car-availability.

George Clinkenbeard, director-transportation quality control, is a bit sheepish about the car-use figures. Some months back, he says, Frisco surveyed program results and estimated that performance improvements were giving it the equivalent of another 600 cars per day.

But, Clinkenbeard says, "even we had a little trouble believing this—so we were telling people that the figure was only 300 cars a day. Now? Now, we set that figure at 1,000 cars a day, and it can pretty well be substantiated."

What this means to Frisco, of course, is that it requires far fewer cars for current-level traffic—or that it could handle substantially increased business with little or no increase in car requirements. The implications for car-shortage-conscious railroads are obvious—and thus far, in fact, Frisco has played host to representatives of some 15 other roads who have come to Springfield, Mo., to see how it all works.

● **Where the action is.** Reduced to the essentials, this is what the program has involved:

—Virtually every major effort has been devoted to improving car performance through terminals. Road-haul operations haven't been emphasized, beyond the normal and continuing concern with on-time train performance.

—Few if any changes were made by hunch or by seat-of-the-pants reasoning. As one result of this, no major mistakes have been made. And as one result of that, operating people in the terminals have a great deal of confidence in what Clinkenbeard's reports are telling them.

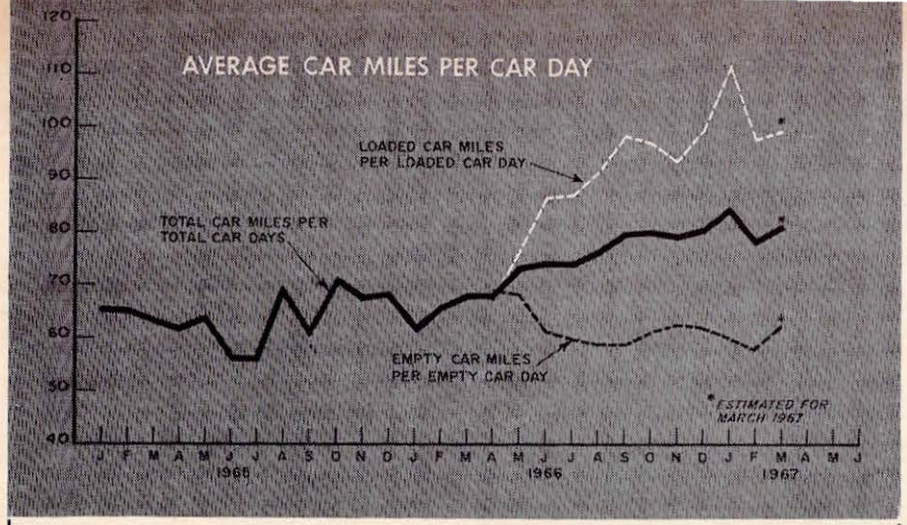
—Planning for further program improvement continues, concentrated now on what will be possible later this year and in 1968 when Frisco installs its on-order third-generation IBM System 360/30, 360/40 and 360/50. And Clinkenbeard, knowing that an individual road can solve only part of the problem, will keep hoping that a number of roads can band together to make the studies and develop the programs to bring real improvement in interline performance.

● **Those inter-road moves.** On this last point, Frisco quality-control people are particularly eager. Clinkenbeard would like nothing better than to be able to work with one or two other roads to see (a) just what does happen to a car as it moves over two or three lines and through a half-dozen terminals, and (b) how performance could be improved.

Now, at most terminals, there's not much advance notice of interchange cars coming. Generally, the superintendent knows what he's going to get when he gets it. He has hardly any time for planning of operations before the cars are there and have to be moved.

At a minimum, Clinkenbeard figures interchange information exchange, in compatible formats, would have to include car initial and number, destination and routing, with the list presented in train-order sequence. All it might take to get this kind of mutually-beneficial exchange could be inter-road agreement at a high-enough level—but that hasn't come, yet, and so accurate plotting of interchange demands and the timing of yard operations remain out of easy reach.

While Frisco people are thinking ahead to broad programs, however,


AVERAGE CAR MILES PER CAR DAY
LOADED CAR MILES PER LOADED CAR DAY
TOTAL CAR MILES PER TOTAL CAR DAYS
EMPTY CAR MILES PER EMPTY CAR DAY
* ESTIMATED FOR MARCH 1967
120
110
100
90
80
70
60
50
40
J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J
1965
1966
1967

	TOTAL			LOADED			EMPTY		
	1965	1966	1967	1965	1966	1967	1965	1966	1967
Jan	65.5	62.2	84.7	—	—	111.7	—	—	60.2
Feb	65.0	66.1	78.1	—	—	97.6	—	—	58.1
March	63.4	68.3	80.9	—	—	99.4	—	—	62.1
April	61.6	68.4		—	67.8		—	69.5	
May	63.7	73.4		—	76.6		—	68.5	
June	56.2	74.4		—	86.4		—	61.4	
July	56.2	74.2		—	87.2		—	60.0	
Aug	69.2	76.5		—	91.8		—	59.4	
Sept	61.3	79.6		—	98.6		—	59.0	
Oct	70.6	80.3		—	97.1		—	61.4	
Nov	67.6	79.5		—	94.0		—	63.3	
Dec	68.1	80.4		—	99.9		—	62.3	

FRISCO KEEPS CLOSE TABS on performance—individually—for a dozen terminals. And this is what the increased emphasis on yard efficiency has done, for the system as a whole. Total car-miles per car-day have shown consistent increases since measurements were begun back in 1965; loaded-car-miles per loaded-car-day have shot up sharply since the total figure was broken down to loads and empties last last year. February 1967 was not a good month. Frisco is confident of a rebound.

they're also picking up considerable operating profit out of that which can be done on a single property. And where the quality-control programs have taken hold, they've tended to prove that a railroad can give better service and keep customers in a happier frame of mind without putting costs into a steep climb.

● **The current goal:** Activities involved have been broken down as simply as possible. The basic intent of the program, simply, is to force the movement of cars. Frisco's aim is to prevent, insofar as possible, the train-to-train fallback that can so easily take place at any yard—a fallback which, multiplied by a few yardings, can result in a car's being several days late at destination.

Frisco measures performance yard-in to yard-out. Later, with the new computer systems in operation, there will be perpetual system inventory. But for now, quality-control checks zero in on the terminals—and Frisco has reduced to a minimum the number of reports on activities a car can go through.

There are, essentially, four ways a car can come into the reporting system—by arrival in a Frisco train, by delivery from a connecting line, by Frisco origination or by release (empty) from a shipper or from shopping. Closing records are coded to six basic activities—movement in a Frisco train as either an originated or a through car, delivery to a connecting line, actual placement, constructive placement or bad-order.

A dozen terminals

Thus far, a dozen terminals have been placed under quality-control scrutiny—St. Louis; Memphis; Birmingham; Springfield, Mo.; Kansas City; Tulsa; Oklahoma City; Wichita; Fort Worth; Fort Smith, Ark.; Amory, Miss.; and Enid, Okla. The initial effort was made at St. Louis—but other terminals were rather quickly brought in, and the benefits first proved at St. Louis have also begun proving out at the other points.

● **Close to real-time.** At present, reporting isn't on a real-time basis, but it's reasonably close. Printout will be available at 8 a.m. each day, covering the 24-hour period ending at 6 p.m. on the previous day. Terminal superintendents get the full report; Frisco's three division managers get weekly performance charts, as do top company officers. And, of course, detail reports are immediately available, on call.

When trouble shows up, Clinkenbeard takes a close look at the reports over a period of several days. Usually, it's possible to pinpoint the cause without too much difficulty—tonnage is being left behind, for example, because Frisco or connecting-line trains are running late, or because power is short. Where it's decided that the problem is within the terminal superintendent's control—if, possibly, he's just getting behind in his switching operations—then the matter is handled directly between the quality-control people and the local supervision. If there is no response to this kind of handling, then the problem is laid before the general manager for progression through operating-department channels.

Actually, Clinkenbeard and his small department have had few problems in getting their story across to operating people out in the field. For all his youth, Clinkenbeard is no theoretical railroader—not with a background that includes service as trainmaster, assistant superintendent, car service officer. Further, the bugs that cropped up in the reports at first have long since been squashed.

● **In the beginning. . .** De-bugging, Frisco people concede, took some time. There were cases where a car's opening report was recorded—and then a closing and another opening were somehow missed before a second closing went on the record. With two moves "reported" as one, the record was pretty bad. Then, too, in the beginning there was a certain tendency to look at the record on cars that showed movement-timing far over standard. But, as Clinkenbeard puts it, realization came quickly that the "eye-catcher," the single car delayed 24 hours, wasn't nearly so important to the over-all operation as were the dozen or two dozen or 50 cars showing lesser individual delays, of six or eight hours apiece.

As one measure of the emphasis on yard efficiency, Frisco has found it necessary, thus far, to make only three major changes in over-the-road operations. One involved a train out of Kansas City for Springfield and the Southeast; another brought about rescheduling of a St. Louis train for Memphis-and-beyond to depart at 5 a.m. instead of noon; the third involved rescheduling of a Memphis-to-Mobile-

As service improves, crew costs go down

GEORGE CLINKENBEARD (r.) reviews Frisco program with Senior Editor Welty.

and-Pensacola train to depart at midnight instead of noon.

All this efficiency, it would seem, should be showing up pound-for-pound in the per-diem records. But it isn't, at least it isn't yet. There are certain car-hire savings, to be sure. But Frisco has found that there have been both ups and downs in movement-efficiency indicators. Total car-miles per car-day have gone up substantially—but loaded-car-miles per loaded-car-day have gone up most sharply, while empty-car-miles per empty-car-day have slipped slightly—and in this may lie part of the reason why increased efficiency hasn't produced parallel per-diem improvement.

On one month-to-month comparison last year, Frisco shows loaded-car-miles per car-day rising from 68 to 100, while empty-car-miles per car-day dropped from 69 to 62. At this point, Frisco people aren't positive about the reasons—but while they work on this, they can also point to the estimate of 1,000-car daily savings from utilization efficiencies. They're well aware of the ratios—as you move loads faster, you create empties faster. And they maintain a cool equilibrium.

● **No jump in cost.** Even if per-diem savings aren't yet all that the optimists would hope, however, operating officers can rather definitely prove demolition of the old theory that better service automatically produces higher operating costs. As service has improved, on the time-through-terminals scale, crew costs have been easing downward. And the savings can be pegged almost entirely to reduced overtime payments.

Quality-control people see it plainly: A yard gets to operating on a swap-tonnage basis, and maybe the only similarity between an incoming train and the next train outbound is in the locomotive and caboose numbers. Tonnage falls back. Then there's a shipper complaint about delay. And when the car does get to destination, it's an emergency case, and maybe it's handled by a local special move. You add up a few of these special moves, per terminal and per day, and you quite likely get an overtime problem that doesn't exist if traffic is handled on a current basis.

Currency and consistency were also two things Frisco had in mind in setting up certain standards of maximum allowable time for intermediate, receipt-to-destination movements. Here, a grid was made up to cover major origin and destination points. Times were figured, based on practical probabilities. The result was an elapsed-time, door-to-door plot that brought anguished cries from some—because practical allowances for initial-movement delay and for destination-delivery seemed overly generous. But Clinkenbeard wanted a workable means by which to start looking at total performance, and the total-time standards provide that.

It could well be that later, when the System/360 installation is working, Frisco will go to more precise and more exacting standards. Now, however, is the time for the laying of groundwork—and the quality-control staff is coming close to a year's worth of reports on this kind of over-all operation.

● **Coming: System inventory.** In another year, two at most, much more will be possible. Perpetual inventory—already existing in terminals—will be a system-wide fact. Communications will have been improved, with installation of Teletype reporting from 114 stations, compared with 40-plus now. Microwave is under study. Management reports—the road's Management Information Control System (MICS) now provides about 60 such reports—are constantly under study and refinement.

At that point, when the communications network is fully operational and the new computer center begins to take hold, the theory and strategy of quality control and service evaluation will already be several years old. The educational job will have been done—and Clinkenbeard doesn't smile when he comments that 90% of the problem with such systems lies in getting management people to make maximum use of the available information.

Then, Frisco will have the grip it's wanted—and, granting the dual, operating-and-sales orientation of most of the road's top people, the results should be something to see. ■

Shippers like the Frisco's performance

How do you measure improved performance? By your own figures—and by what your customers are saying. Frisco, as it happens, comes out ahead on both counts.

Among the recent comments from major shippers:

—From a packing company: "Frisco's on-time performance covering scheduled shipments from our distribution center was 95% for the 11 months ending Jan. 31, 1967. I'm gratified that your services measured up to our expectations."

—From a milling company: "We are well aware of the job the Frisco is doing and would like to see a few more lines adopt your program. We have definitely been aware of the improvement, which has been one reason we have again resorted to movements through the St. Louis Gateway [where] we had a real problem for some time."

—From a chemical company: "You're to be congratulated for what you have been able to do on car utilization. Assuredly, the message pertains not only to utilization but also, broadly, to the use of computers for business management, particularly in the area of implementing the gathered information."

Reading works out peace pacts with labor

LABOR-MANAGEMENT GET-TOGETHER: Reading's Byron E. Rice (left) and Vance W. Bigelow (right), with Don Kneedler, general chairman of the Maintenance of Way Employes.

- **Both the railroad and its employees are benefiting from a series of individual labor agreements. The goal: Competitive strength for the railroad, plus greater employment stability.**
- **The first individual agreement was set up with the Brotherhood of Maintenance of Way Employes. Since then, similar contracts have been signed with several more of the non-ops.**

Some people might define a three-time loser as a fellow who handles labor relations for a small railroad that doesn't make much money.

Around Reading Terminal in Philadelphia, though, comments like that draw only a chuckle. It's true that Reading's small, and it's true that Reading has to run hard just to stay even. Black-ink figures in 1965 and 1966 haven't erased the memory of the preceding four straight years of deficit operation.

● **No time for brooding.** But Reading's labor-relations officers haven't had much time for brooding. Over the past several years, they've been too busy working out a series of imaginative labor agreements which have been, in a real sense, beneficial to both the railroad and the labor organizations.

Agreements with three operating unions on Reading Bee-Line service have gotten widespread attention (RA, Jan. 30, p. 42). Without a doubt these arrangements are highly significant. But the real story of labor-relations improvement on Reading dates back many, many months, before Bee-Line was anything more than a marketing man's daydream.

● **Where it began.** If a single event had to be tabbed as the starter for Reading's new-look program, it would perhaps be the signing of the national job-stabilization mediation agreement Feb. 7, 1965, by representatives of the National Railway Labor Conference and five non-operating organizations, Once that agreement had been signed, sealed and studied, things started happening.

Labor-relations people on a number of roads were somewhat taken aback by the Feb. 7 agreement. So were some negotiators and officers on the brotherhood side of the agreement. Before time ran out on 1965, there was to be a supplemental agreement of interpretation of the Feb. 7 pact. But in the meantime, Reading was one road that began moving on its own to develop what it regarded as a more practicable job-stabilization agreement for its circumstances.

The first agreement

Within six months, the road had its first individual agreement—with the Brotherhood of Maintenance of Way Employes—and since mid-1965 similar pacts have been signed with all but one of the other non-op organizations holding contracts on Reading who were parties to the Feb. 7 mediation agreement.

● **'Give to get.'** Reading's labor-relations staff—headed by B. E. Rice, Jr., director-personnel and labor relations, and Vance W. Bigelow, manager-labor relations—is guided by several key principles. One is an outright cliché—to the effect that "you've got to give to get." But another—equally true—is a principle that may deserve more recognition than it gets. This one says that "the faster you deal for what you need at a given point in time, the better off you are—because the longer you wait, the more it costs you."

With the M/W organization, Reading's people found a kindred spirit—General Chairman Don Kneedler, a hard bargainer but a man not averse to wheeling and dealing in imaginative fashion. The result: On July 26, 1965, Reading and BMWE negotiators signed a guaranteed-annual-income agreement. On Nov. 23, 1965, the same bargainers approved a reorganization-of-forces agreement covering the Reading's maintenance-of-way and bridge-and-building employees.

Bob Rice and Vance Bigelow pick up the story: "We had had a reorganization of maintenance forces in October 1963—but right away, we found we needed even greater reorganization. We stayed off this through 1964, because we figured something would come out of national-handling on stabilization. Then the Feb. 7 agreement came along. We saw some problems in it, locally. For instance, we felt that the policing and the follow-up would require an awful lot of additional clerical work, either at the general office or out on the road. To get the right kind of policing of the agreement, we thought centralized control was almost mandatory. But in M/W, we had

New standards!

Faster, quality controlled freight service. More reliable freight service. Frisco customers are reaping these benefits because of new computer-planned standards of car control. The average number of miles per day per car is up 27%. The whole program is reinforced on the rails with new, advanced, 3600 horsepower, General Motors locomotives.

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people in all sorts of capacities, working all over the railroad. It's hard to do a complete follow-up job, on things like bidding, for example."

● **Advantages for both sides.** At about the same time, BMWE Chairman Kneedler was also finding certain irritants in the Feb. 7 agreement. So it wasn't long until Rice, Bigelow and Kneedler got together on negotiations which would prove advantageous to both sides—practical protection for the employees, much-needed force-organization for the carrier.

The guaranteed-annual-income agreement, first in line, included these major provisions:

—Employees having an employment relationship with the company as of Jan. 1, 1965, were identified as protected employees. Those who were in active service as of the effective date of the agreement are to be retained until they retire, resign, die or are dismissed for cause.

—Guarantees were determined by adding up each employee's total income for 1963 and 1964, dividing by two and then re-figuring to a monthly-guarantee basis. Protected employees are to be paid in accordance with existing-agreement provisions, but they are to receive no less than their guarantee unless the guarantee is reduced by voluntary absences.

—Reading will not reduce the number of positions in effect as of the effective date of the agreement, so long as there are protected employees not in active service.

—After all protected employees are returned to active service, the road may abolish a position when it is vacated by the incumbent through retirement, resignation, death or dismissal. If management chooses, it may fill the vacated position and abolish another job on the system, provided that no protected employee will be adversely affected by such a move.

—Guaranteed annual income will cease only with the retirement, resignation, death or dismissal of the employee so protected.

● **A three-year minimum.** Reading and the BMWE agreed that the income pact would become effective on the same date that a reorganization agreement became operative. And they agreed that the guarantee provisions would remain in force for a minimum of three years. After that either party could serve a six-month advance notice to renegotiate or cancel.

Both management and the brotherhood gave in order to get, in this series of negotiations.

The brotherhood got a better agreement than Feb. 7 in terms of employees covered. Under the national agreement, men with two years' service as of Oct. 1, 1964, were classified as protected. Reading set the date at Jan. 1, 1965, dropped the two-year provision and thereby gave protection to more than 300 employees who didn't qualify under the Feb. 7 pact.

● **Improved flexibility.** The railroad, through the reorganization-of-forces agreement which followed, got greater flexibility in handling division production gangs. It also negotiated away from rigid craft classifications among B&B men and set up a composite-mechanic class. And it won the right to qualify furloughed grade-crossing watchmen as M/W laborers.

Finally, both management, and the organization got an agreement that was relatively easy to understand and easy to police.

Each benefit gained by each party was significant. For example, for Reading, it is now possible to move M/W gangs as entities and to change the base of operations of a gang twice a year, to provide flexibility for summer and winter maintenance programs. Under former rules and under the Feb. 7 agreement, Reading labor-relations people point out, "it was real hazy as to whether we could do this unilaterally, or whether we had to negotiate every individual proposed move."

● **Payments are worth it.** Blanket allowances were set up in lieu of separate transportation, meals and lodging arrangements for M/W employees working out of alternate division-gang headquarters. While benefit payments may come high in dollars—they range from $6 to $12 per day, depending on mileage from base headquarters—Reading people are satisfied that the production benefits far outweigh the allowance outlays.

Agreement provisions relating to furloughed crossing watchmen have also been beneficial. As crossing-protection improvement programs put more locations under automatic protection, Reading built up a substantial force of furloughed watchmen. As one labor-relations man puts it, "there was a lot of rocking-chair money being paid out."

Under the new agreement, however, idled watchmen are required to take a physical exam to determine their fitness to work as track laborers. Those who don't pass stay as they were; those who pass and are recalled and who report for work start building seniority as laborers while retaining and accumulating seniority as watchmen. Those who pass the physical and are recalled, but who refuse to report, retain seniority as watchmen. However, they lose the income-guarantee and protective conditions provided in the agreement.

● **Praise for everyone.** Reading people don't hold back in their praise for the BMWE negotiators who worked with them on the pioneering agreements. So far as Bob Rice and Vance Bigelow are concerned, there's credit aplenty for Don Kneedler and for BMWE Vice President Thomas W. McGuire, who represented the grand lodge in the bargaining.

While some benefits to both sides can be measured in dollars and cents, there also have been fringe benefits which fall more in the area of the

It's a tough job, and it keeps them busy

The two men heading Reading's labor-relations effort took sharply different paths to their present positions.

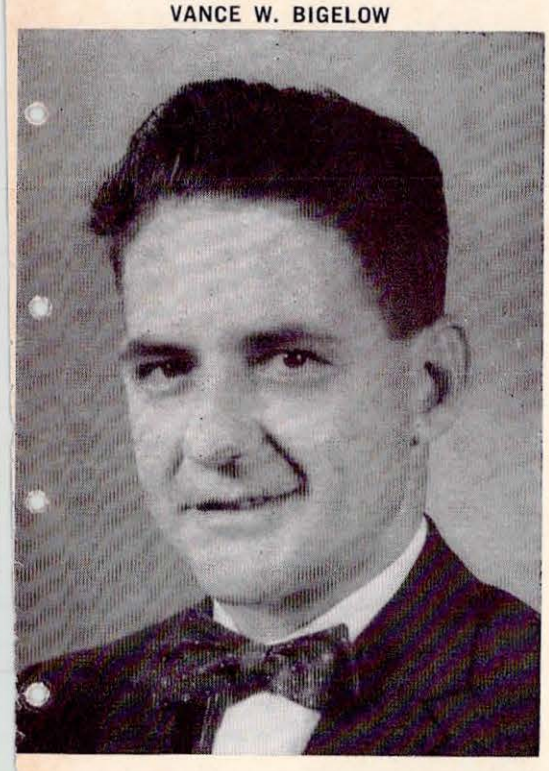
B. E. Rice, Jr., director-personnel and labor relations, had spent his entire railroad career with the Baltimore & Ohio until early in 1964, when he came to Reading as manager-labor relations. His title was changed to the present one as reflecting more accurately the dual responsibilities of his department, which include personnel functions, on Jan. 1, 1966.

Vance W. Bigelow, present manager-labor relations, has been a Reading man all the way, starting out in 1941 as a brakeman and moving into labor relations in 1955. When Rice came to Reading in 1964, Bigelow was named assistant manager-labor relations, and he stepped up to manager Jan. 1 of last year.

Observers would have to rate their job as a tough one—and they've stayed extremely busy at it, over the past several years. Some labor relations men may wonder at some of the benefits the road has negotiated—in the area of guarantees, for instance. Others, however, tend to figure that perhaps there have been ultra-restrictive provisions in inherited agreements which had to be dealt with. In any event, the viewpoint closest-to-home — Reading's own—is that steps necessary to the well-being of the enterprise had to be taken, and that both railroad and employees have benefited from the agreements which resulted.

B. E. RICE, JR.

VANCE W. BIGELOW



psychological. Reading and brotherhood people can both point to accomplishment, to cooperative effort for mutual benefit. And for some reason, reaching one agreement makes the next and the next seem to come easier.

There weren't many problems, then, when the railroad and the BMWE negotiated, in late 1966, a new schedule setting up three classes for M/S machine operators and establishing pay scales for each. Many of the men got more money. Reading got a kind of work-force stability by eliminating continual jumping back and forth by operators who figured they'd get a couple cents an hour more by bidding around on different machine jobs.

● **The role of NRLC.** Not for a moment would either Rice or Bigelow play down the importance and the accomplishments of the National Railway Labor Conference. Far from it. NRLC has in many instances provided the basic vehicle from which local agreements have been worked out. Both men are quick to state that the National Railway Labor Conference accomplishments in Arbitration Board Award 282, for example, could hardly have been achieved by individual railroads acting on their own. Further, they point out, the National Conference provides invaluable advice and assistance to individual railroads, particularly smaller roads, who do not have the resources to command a large staff of trained experts in all aspects of industry labor relations. But neither would Rice and Bigelow give up the flexibility and the psychological advantages of local handling for problems like those of the Reading and the BMWE.

Reading's seeming ability to get along with the brotherhoods isn't what some suspicious people might think. Rice and Bigelow aren't giving away the franchise. Neither are there any patsies, any union-label Uncle Toms among the general chairmen. Reading's general chairmen have their share of problems to battle out with management — sometimes in knock-down, drag-out fashion—just as on any other carrier.

● **Both sides have to trade.** By and large, however, management and labor have been able to find the common ground. The general chairmen know Reading isn't rich, and they know there are things they can do to improve both Reading's position and that of their own members. By the same token, as Bob Rice points out, "we know the organizations have problems, too. Both sides have to trade."

In any event, once Reading had its guaranteed-income agreement with the M/S group, other memoranda of agreement followed rather naturally.

The next major pact to come along was with the Transportation-Communication Employees Union—and again, it was a give-to-get situation. Two memos were signed on June 1 of last year. One gave TCEU people the guaranteed annual income, the other settled a dispute over installation and operation of equipment in the road's TRACE computer system. Both sides gained.

● **How this guarantee works.** In the TCEU settlement, protected employees are identified as those with an employment relationship with the company as of June 1, 1966. Their guarantee is based on a monthly average derived from total compensation paid during 1964-65. Attrition and job-blanking provisions read much like those in the Maintenance of Way Employes agreement. And there's the stipulation that guarantees actually apply over the calendar year—that is, if an employee earns less than his guarantee in any month, the carrier will make up the difference; and if the individual earns more, the excess will apply as a credit against a month where there's a deficiency.

Reading got little from this specific memo. From the other TCEU agreement signed the same day, however, it disposed of the TRACE dispute on terms advantageous to the railroad and still acceptable to the organization.

Among the provisions of the TRACE memo:

—Thirteen excepted agency positions were to be made subject to the applicable rules of the TCEU agreement covering union shop.

—Six fully-excepted agency positions, when vacated by the incumbents, were to be filled by appointment from the ranks of employees holding seniority under the TCEU agreement, with the provision that these positions would continue to be excepted from all rules of the agreement except union shop.

—IBM 2740 equipment could be installed in the general offices at Philadelphia and in division superintendents' offices at Philadelphia and Reading, with operation by employees not covered by the TCEU.

Reading got what it figured it had to have. So, apparently, did the TCEU—since Reading was not served with the more-or-less-standard machine-operation notices served recently, and broadly, by the organization.

● **Agreement with the Clerks.** After negotiation of a guarantee agreement with the TCEU, it wasn't long until a similar pact became effective with the Brotherhood of Railway Clerks.

Again, the principles of the BMWE agreement were the basis of the settlement. Again, there were modifications in the specifics. In this case, the memo of agreement provided that "all employees of the carrier who, on June 1, 1966, were holding regular assigned positions and had one or more years of employment relationship with the carrier under the agreement in effect with the organization shall, until such time as they leave the service of the carrier by natural attrition, be provided, as minimum compensation in the calendar year 1966 and each subsequent calendar year of employment, a guaranteed annual wage equivalent to the daily rate of position occupied on June 1, 1966, (plus subsequent general wage in-

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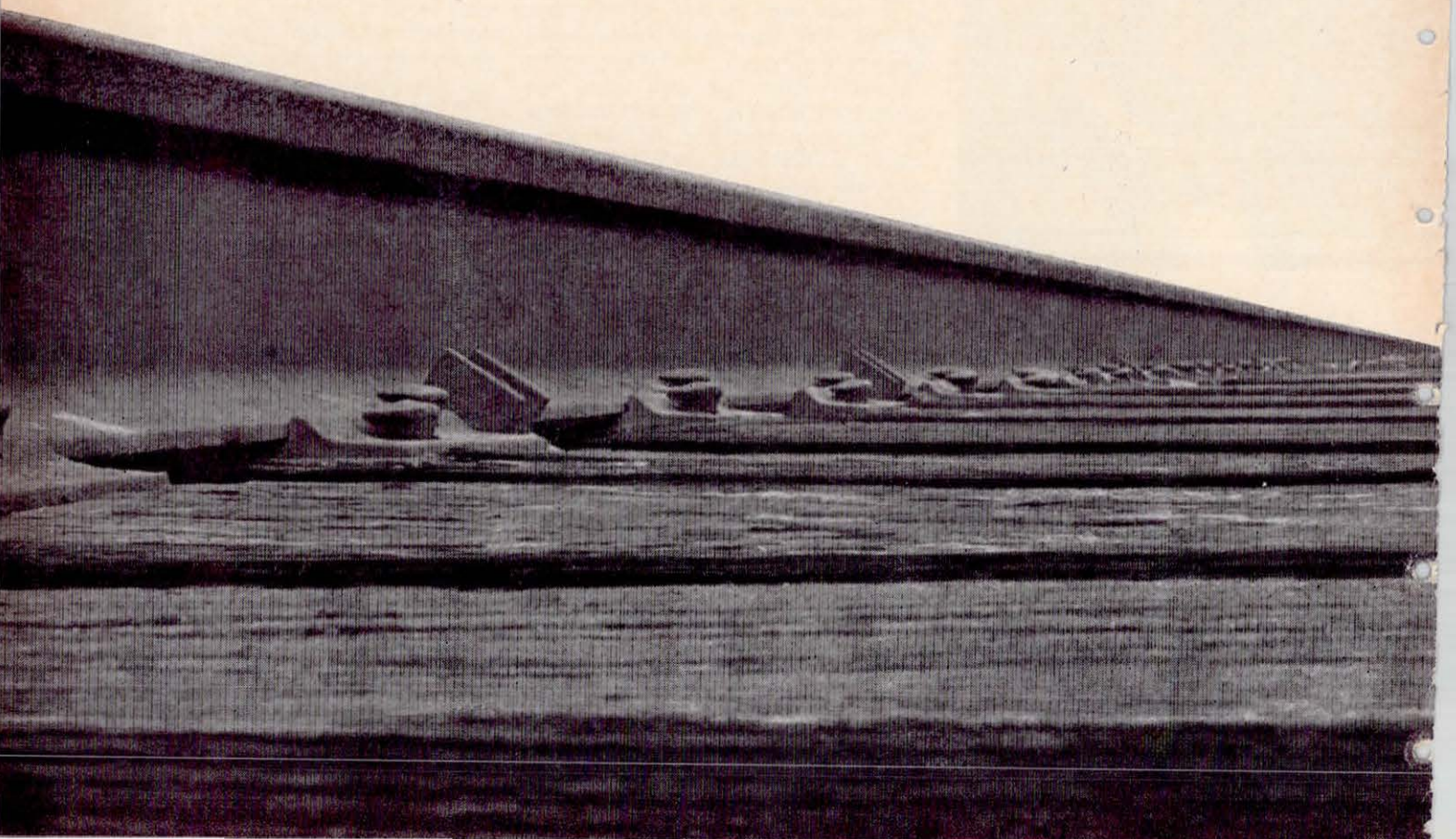

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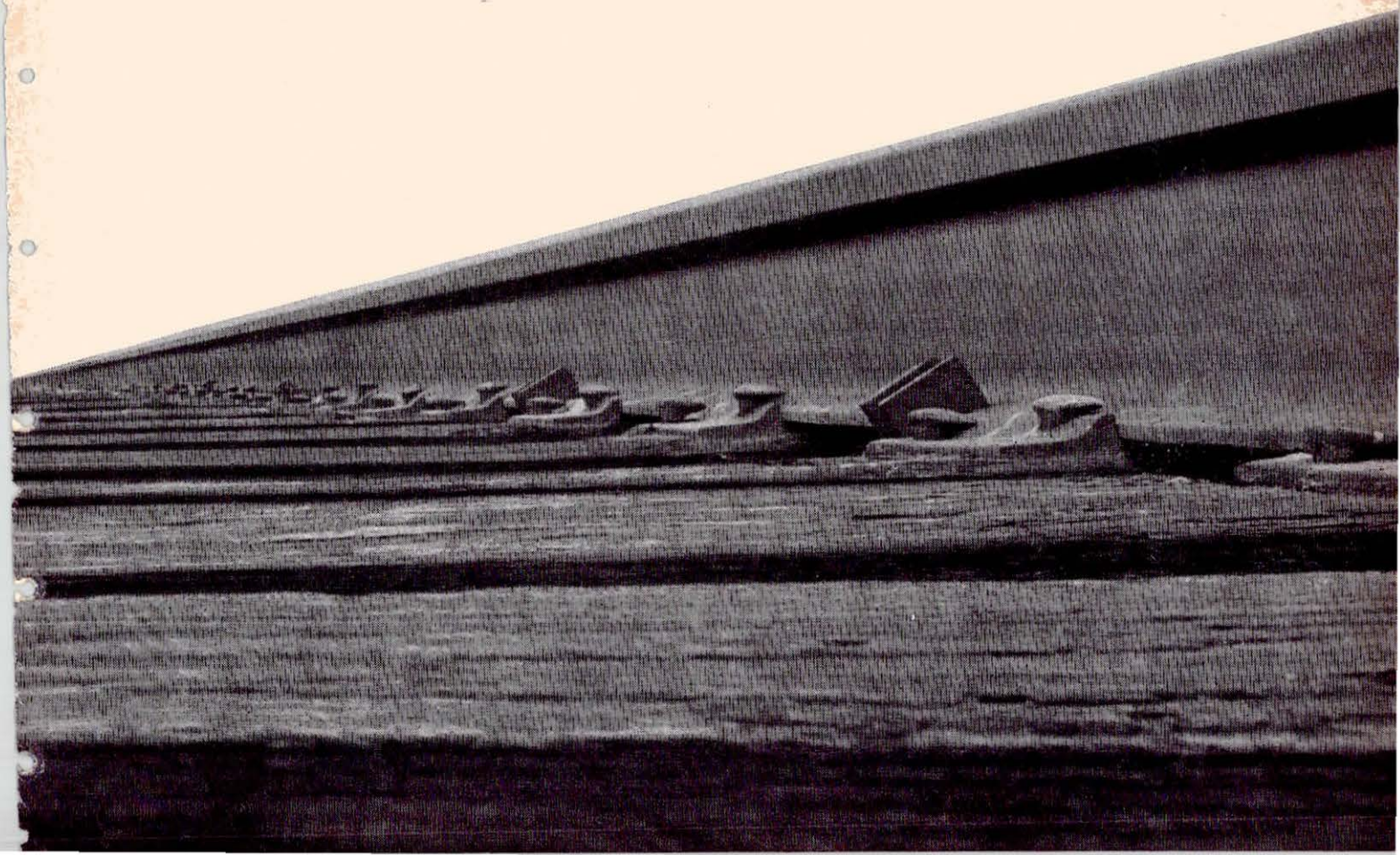

WATCHING **WASHINGTON** WITH WALTER TAFT

TAFT

DAY IN COURT—Chairman William H. Tucker of the ICC had a big day in court recently—and it was in the United States Supreme Court. That was the day the Court sent the Pennsylvania-New York Central merger case back to the Commission (RA, April 3, p. 8). Concurring and dissenting-in-part opinions accompanying the Court's 5-to-4 decision contained strong endorsements of Tucker's idea that the Commission should have merged the railroad merger cases instead of deciding them on a case-by-case basis.

While wags have frequently noted that concurring and dissenting opinions do not decide cases, it is nevertheless true that authors of such opinions often employ their freedom of expression to go in for picturesque prose. Like freedom is not ordinarily available to authors of decisions where precise language has top priority.

PLANNING NOT PROHIBITED—The critical comments on the Commission's case-by-case approach were in the dissenting-in-part opinion of Justice William O. Douglas, and in the concurring opinion by Justice William J. Brennan. The former got the criticism under way in spectacular fashion by calling Penn-Central an "irresponsible ICC decision."

Douglas recognized that the Interstate Commerce Act no longer requires the Commission to shape up a merger plan, but he insisted that present law does not follow the alternate route all the way to dictate the piecemeal approach. "There is no evidence that Congress intended to remove entirely the planning and policy function of the Commission with respect to rail consolidations," he continued, adding: "The Commission has ample authority to insure a coordinated approach to railroad consolidations; it is not straitjacketed to a disjointed case-by-case approach."

IT'S PART OF REGIONAL PLANNING—Douglas also called for making the planning of railroad mergers a part of broad regional planning. With a touch of demagogy, he exclaimed that small towns on railroad lines "may be more important in terms of the 'public interest' than the profit and loss statements of the carriers, or the market prices of their securities, or the power of the small oligarchy that will sit at the head of this behemoth that will be turned loose."

Whatever the attitude of the Commission may have been, this justice insisted that it cannot, in light of the Interstate Commerce Act's Section 5(2)(c), delegate its planning "duty" to the carriers, or "become their rubber stamps." Section 5(2)(c) lists considerations to which the Commission must "give weight" in passing on merger applications. "The effect of the proposed transaction upon adequate transportation service to the public" is on the list.

TUCKER SOUNDED WARNING — Reflecting similar views, Justice Brennan suggested "it can hardly be said that the ICC is powerless to consolidate proceedings, or for that matter to plan for the development in the public interest of a national transportation system." Brennan went on to point up what he considered disadvantages inherent in the case-by-case approach. Here he said evidence of competitive impact "has been withheld in one proceeding only to appear in later proceedings in the form of evidence that the company affected must be permitted to merge with another company to protect itself, or that the anti-competitive impact and ability to compete of the companies already allowed to merge."

The carriers have been "well aware" of opportunities thus afforded, Brennan continued. He went on to say the Commission, too, has been aware of "what has been going on"—because Commissioner Tucker long ago said the "failure of the large eastern railroads to present evidence against consolidation is a natural consequence of their own self-interest which dictates a reciprocity of silence."

creases), multiplied by 261 workdays."

Under the Clerks agreement, employees entitled to a guarantee who were not holding a regular position as of last June 1 were to get a guarantee equal to total compensation received in the 12 months in which they performed service before the effective date of the agreement. Employees who did not have 12 months' service as of June 1, 1966, were to qualify for the guarantee on the date they got 12 months' compensated service.

Reading's pact with the BRC also provides for notice to the general chairman of proposed technological, operational and/or organizational change—60 days if five or more positions are involved, 30 days if the total is less than five. At the same time, it provides that "carrier may transfer work from one position to another within a seniority district or between seniority districts as required without negotiations."

- **No lid on attrition.** One of the key provisions of all these Reading non-op agreements—perhaps the key provision—is that there's no cap, no lid, on attrition. If all protected employees are working and one of them leaves—retirement, resignation, death, dismissal—his job can be abolished, or another in the same seniority district can be cut.

Under the Feb. 7 agreement negotiated nationally, attrition has a limit, 6% per year. Under demands served not long ago by the Clerks organization, attrition would be limited to 2%. But under the Reading agreements, job cuts could run 1% or 20% or whatever—just so long as natural attrition is the guide. And recent figures on Reading—incomplete and less than 100% accurate, as personnel people sadly but frankly admit—point to a natural-attrition rate of about 9% from retirements and deaths alone.

This particular problem—the uncertainty about available figures—is one that probably won't plague the railroad (or its unions) for very long. Reading people have always made careful costing studies before entering into new agreements. Beginning this year, the road is setting up centralized and computerized personnel records in Philadelphia. The equipment is on order; it's soon to be delivered and installed; programming has been set up already; and in a month or two, personnel officers won't have to guess or make hipshot estimates based on incomplete data as to the makeup of the work force.

- **The Bee-Line story.** Non-op agreements and computerized records, however, are far from being the whole story on Reading. There are the Bee-Line agreements with the ops—and there is

(Continued on page 33)

At 130 mph, it goes the 320 miles between Tokyo and Osaka in three hours and 10 minutes, and the way tickets for it sell you'd think it was the Olympic Games.

Is Japan's New Tokaido Line a *genuine* system of rapid transit? Or just the world's fastest railroad? Probably both, if you consider facts like these:

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No matter what you call the New Tokaido Line, Japan needed it.

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Today, there isn't a train in Japan that doesn't roll on Sumitomo wheels. Today, our modern Osaka Works is capable of turning out one-third of the world demand for solid rolled wheels. It is, in fact, the world's largest wheelmaking plant. From Sumitomo each year comes thousands of tons of wheels — safe, light, quality wheels in sizes from 550mm to 1,300mm, guaranteed to conform to any National Standard, yours included.

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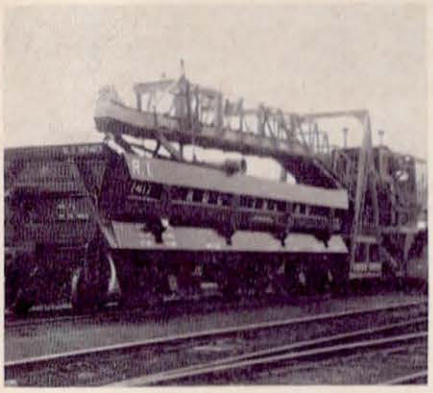
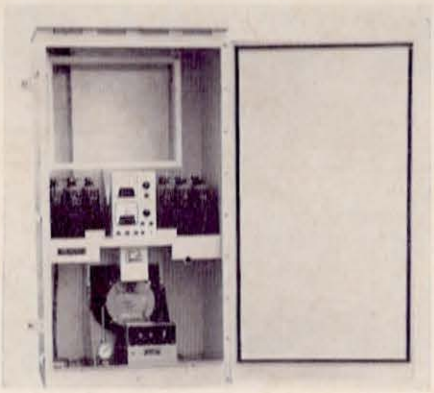
NEW **PRODUCTS** REPORT



Air-Dump Cars (RA-1)

An improved type of Differential 40-cu-yd-capacity air-dump car is shown above on a yard-cleaning operation with a Kershaw Yard Cleaner. Improvements include a new A-frame end construction which carries the end load into the side sills; a new 23-inch all-welded underframe; capacity up to 70 cu yd; improved lightweight design; and a safety interlock to prevent accidental dumping and dumping toward the operator. *Difco, Inc.*

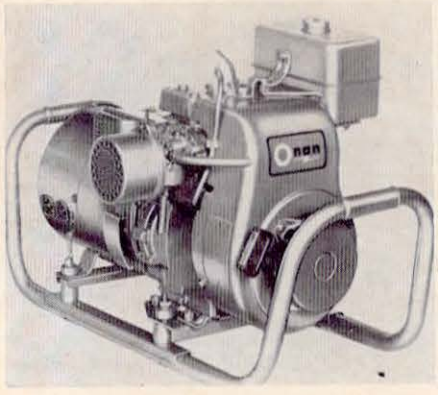


Gas-powered Generator (RA-2)

This thermo-electric generator package provides regulated 12- or 24-v dc power for unattended transmitters at receiving or repeater sites. The power supply consists of a thermo-electric generator and voltage limiter, a battery pack, built-in metering of voltages and current, a swing-out 19-in. rack with a vertical capacity of eight mounting units, and optional alarms for generator flameout, low voltage and loss of fuel pressure. *Farinon Electric.*

Antenna Arrester (RA-3)

Low-clamping level and expanded signal operating range, 10 kc-300 Mc, is featured in a new series of fast-responding antenna transient arresters. Installed in series with an external antenna, the arrester will attenuate an input transient before damage to active elements can occur. It can be used in single-element systems, or in multiple-element antenna arrays. A transient of 10,000-volt peak will be clamped to 50 v. *Joslyn Electronic Systems.*



Electric Power Plants (RA-4)

The TA, TB and TC series of portable electric generating plants, weighing 82, 98 and 116 lb respectively, provides a-c electric power in 1,250-, 1,750- and 2,500-watt sizes. Each of the three units is mounted in a steel carrying frame; two-wheel dollies are optional. The series is powered by four-cycle, air-cooled gasoline-driven Tecumseh-Lauson single cylinder engines. Engine horsepowers are, respectively, 3.5, 4.0 and 6.0. *Onan Div., Studebaker Corp.*

Electric Cab Heater (RA-5)

The Type K cab heater, designed to minimize cold-cab complaints, fits between seat tracks. It distributes air over heater to prevent build-up of metal temperatures; allows a column of warm air to rise along the side wall to keep it warm; and provides a warm shelf surface for a foot rest. According to the manufacturer, 100 units have now been installed on a large northern railroad on which it was tested in winter road service. *Ogontz.*

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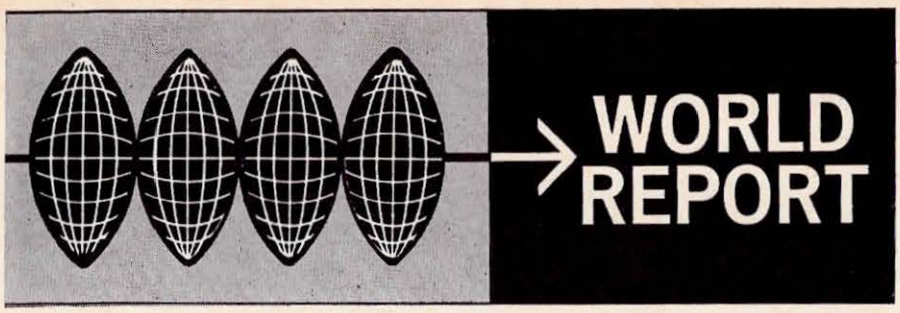


SPEEDING THE "MISTRAL."

European railroads have not given up the fight for passengers. British Railways have been giving the domestic airlines some hard knocks in recent months. And on the Continent the smart new international trains are still packed to capacity.

Now French National Railways (SNCF) face a particular problem. With a new stretch of motorway opened between Paris and Avallon, two enterprising French journalists discovered they could drive from the capital to Lyon (312 miles) in four hours—exactly the time taken by the famed "Mistral Express"!

Since the average Frenchman likes nothing better than sitting behind a wheel and pushing hard on the accelerator, the news caused some heart-searching at SNCF headquarters. Like good railroad men, they have come up with the answer.

Speed of the "Mistral" is to be hiked up to 160 km/h (100 mph) quite soon. And next year the Paris-Toulouse run will have a 200-km/h (125-mph) service. This will eventually be extended to the Paris-Lyon-Riviera run and the "Mistral" will be replaced.

Being French, the SNCF spokesman regarded this as only part of the answer. With Gallic gastronomic fervour he exclaimed: "But you can eat on trains, you know. And when I say eat, I mean dine!"

FREIGHTLINERS SUCCEED.

With initial labor difficulties ironed out, British Railway's Freightliner service looks like being a solid success. The first year's operations—hampered by union refusal to allow privately-owned haulage trucks into the depots—brought in just under $2,800,000 revenue.

Containers carried rose from 6,500 in six months to 14,000 in nine months and 27,000 (about 30,000 tons) in the full year.

Not much, as yet, but BR estimates the potential market for this unit-load service as around 40 million tons—and intends to go out and get it. Preparing to sell the scheme in a big way, BR conducted its first true market research into freight.

The total market, and that section compatible with unit loading, has been analysed. Services have been designed specifically to meet the customer's needs.

Salesmen are getting special briefing programs, and prestige ads are planned in a wide range of periodicals to punch the message home.

By the end of November this year about 210 Freightliners—express all-container trains—will travel every week on 20 different routes, linking most of Britain's major industrial centers.

Ingenious use of the service has been made by one London laundry firm. Every night its daily intake of dirty linen is containerized and shipped to Glasgow. It comes back laundered the next day.

What's the reason? Labor costs are lower in Glasgow, and even when freight costs are added the company makes a handsome margin.

AUSTRALIAN BOOM.

Crocodile tears are being shed by the bucketful in some quarters for the "dying" railroad industry. If any proof were needed to confute the Jeremiahs, it can be found in the great resurgence of railway activity now taking place in Australia.

All six brisk and bustling systems on that continent are modernizing at top speed. Fast, efficient freight methods are being introduced. And several of the systems have this year doubled their investment expenditure.

Great gauge-standardization projects have been under way for some years. By December 1968 there will be an unbroken standard-gauge line right across the continent, from Perth in the west to Brisbane in the east, via Sydney and Broken Hill.

Then, following the great ore strikes in Western Australia, has come a boom in railroad construction to carry the ore to the nearest seaports. Two new lines are already operating, and at least two more are planned.

The 182-mile Hammersley Iron line, which links the Mount Tom Price iron mines with the port of Dampier, was opened last November. It is already running trains of up to 18,000 tons. By 1970 it will be carrying 6,000,000 tons of ore a year in trains of up to 125-car length.

Construction took only 15 months, with tracklayers pushing ahead at a rate of 1½ miles a day. Trackwork alone cost $15,000,000.

Three 173-ton Alco DL628 diesel-electric locomotives are already operating on the line and two more are being supplied. Three can move a train of 18,000 tons at 45 mph over grades of 1 in 300.

Nippon Sharyo is supplying 144 bogie hopper cars weighing 97 tons each. These will be made up in trains of 63 cars and loaded by conveyor at the terminal.

The other completed ore line runs 70 miles from Mount Goldsworthy to Port Hedland. Port Hedland will also be the terminus for a third line in this ore-rich state. It will run 260 miles from Mount Newman.

In March, negotiations were being completed and the go-ahead for the line is expected some time toward the end of this year. It is expected to cost $240,000,000.

This just skims the surface of railroad activity in Australia. But it shows, pretty conclusively, that when it comes to shifting really heavy loads there's no highway like the steel track.

NEW NAME FOR DB?

Back to that European battle for passengers. Latest lure to bring in the cash customers comes—unlikely though it seems—from the normally efficient but highly serious Deutsche Bundesbahn.

On two of the fast and comfortable TEE express trains, the "Blauer Enzian" (Blue Gentian) between Hamburg and Munich, and the "Helvetia," from Hamburg to Zurich, Bunny girl hostesses have been introduced in the bar service.

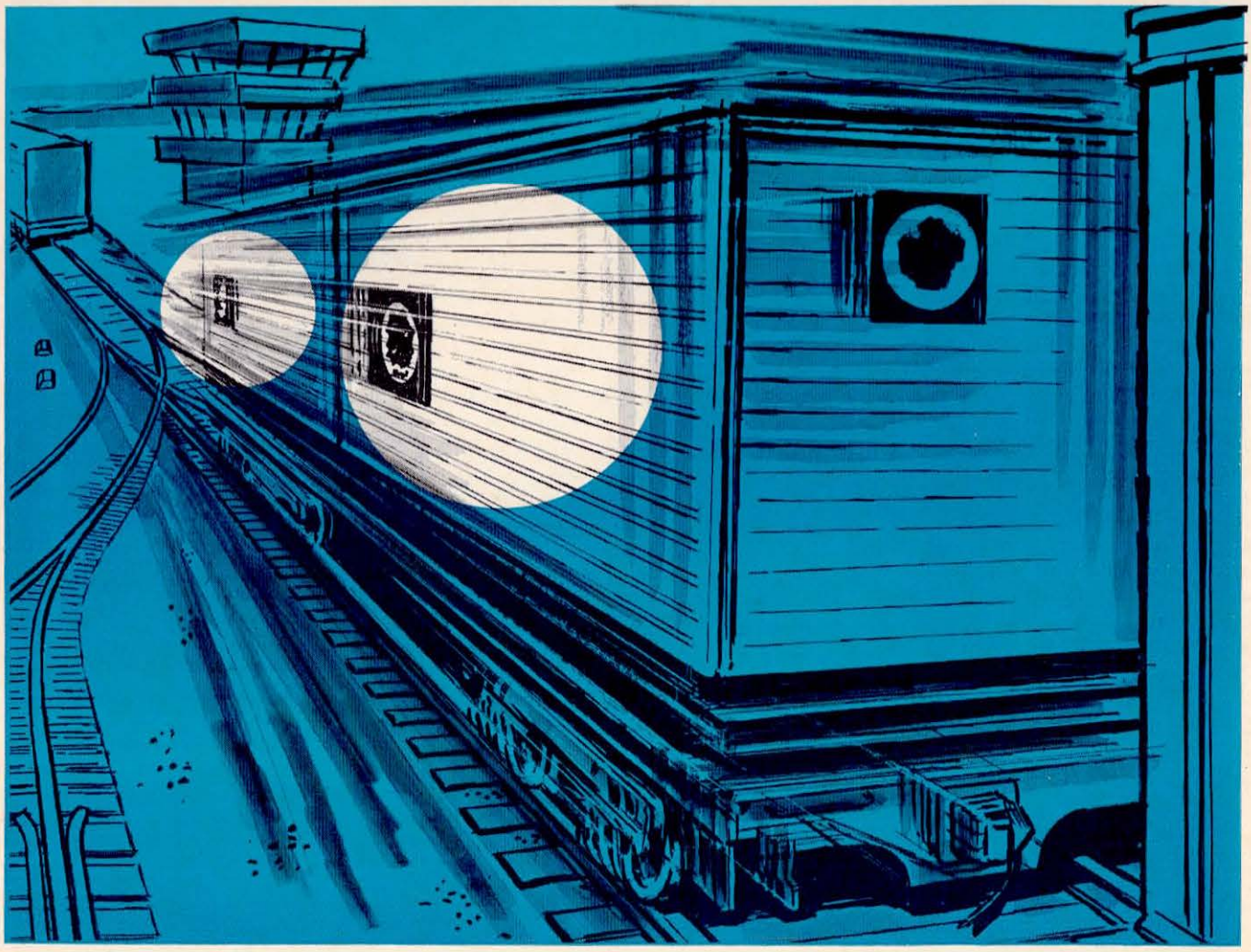
First of the girls employed come from London's Playboy Club, but if the idea catches on DB intends to train its own girls.

Said a DB officer: "For some time we have been considering ways of making our long-distance services more attractive. This is our contribution to International Tourism Year."

There have been rumors at UIC headquarters in Paris that DB now intends to change its name—to Deutsche Bunniesbahn.

—JOHN LEVETT

How do you make life safer for lading?



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We'd like to tackle some of these problems with you. If you'd like to add our experience to your know-how, call or write: *Railroad Products Group, Lord Manufacturing Company, Division of Lord Corporation, Erie, Pennsylvania 16512.*

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LORD®

Reading works out peace pacts

(Continued from page 28)

what might be termed the Reading philosophy.

Reading came into Bee-Line slowly. There were the agreements, first. Then there was a revenue movement for a major steel company in this service which is, essentially, a short-train, fast-service marketing move aimed at pulling business off highways and onto rails. Then there was a delay—and finally a regular move, for another steel producer, of these five-to-20-car trains oriented to customer demand and need.

Without a doubt, Bee-Line agreements are getting a close look today from labor-relations people from East Coast west. In these agreements, the Brotherhood of Locomotive Engineers, Brotherhood of Railroad Trainmen and Order of Railway Conductors & Brakemen accepted the short crew—three men. They accepted a form of inter-divisional runs, since Bee-Line crews go origin to destination, terminals be damned. They also accepted a combination of road and yard service, since Bee-Line people handle the full operating job, on the road and at origin and destination. As followers of the national work-rules dispute well know, crew-consist was shunted to arbitration.

The problems of inter-divisional runs and combination of road and yard service have thus far proved too tricky for settlement on a broad basis either by government fiat of some sort or by negotiation.

● **Change for mutual benefit.** Reading people, talking of Bee-Line, don't try to sew a vest on a button. There are no implications that "lookee here, we've done it." Reading's operating, personnel and labor-relations people are just quietly satisfied that they've been able to work out an arrangement beneficial to their railroad in helping to meet one of its toughest competitive problems. They're also most pleased that Reading has the kind of general chairmen who will negotiate change for mutual benefit—the kind of union officials who don't turn their backs on the company's difficulties with the easy comment that "it's not my problem."

What comes next? Hopefully, greater efficiency and greater competitive strength for the railroad—which, in turn, will lead to greater employment stability and greater job satisfaction for the people who work there.

The road back won't be all straightaway, with no hills or curves. Reading's recent successes—net income of $1.7 million in 1966 and $2.9 million in '65—still leave the road with a sizable pool of red ink for the decade of the '60s. Before 1965, Reading shows only a lean $1.5-million profit in 1960—and over the four years 1961-64, the operation piled up deficits totaling about $23 million.

The figures reflect, in part, the adversities Reading faces. Its average haul is short, its terminal costs run high, as a percent of gross. Its territory is highly competitive, the highways are good and the truckers are active.

● **Can't stand pat.** So the goals have to be increased efficiency of operation and a greater emphasis on custom-tailored service. As Bob Rice puts it, "we can't let yesterday's accomplishments overshadow today's challenges." These are the things he and Vance Bigelow are thinking about in dealing with the ops and non-ops alike.

And they're the things Reading President C. E. Bertrand has in mind when he says his road "has to be on the move, because we're a small railroad with a lot of tough competition. We're meeting our competition by concentrating on the advantages we have." ■

CURRENT PUBLICATIONS

DEVELOPING A PROFITABLE RAILROAD REAL ESTATE PROGRAM.—A DIALOGUE. 71 pages. Railway Systems & Management Association, 163 East Walton St., Chicago, Ill. 60611. Flexible cover, $5.00; case binding, $8.25.

YOUR CAREER IN TRANSPORTATION, by Robert A. Liston. 192 pages, illustrations. Julian Messner, a division of Simon & Schuster, Inc., 1 West 39th Street, New York, N.Y. 10018. $3.95.

UNIT TRAIN OPERATIONS. 125 pages, illustrations, drawings, charts. Railway Systems and Management Association, 163 East Walton Street, Chicago, Ill. 60611. Flexible cover, $5.00; case binding, $8.25.

WHEELS, by Wilfred Owen, Ezra Bowen and the Editors of LIFE. 200 pages, illustrations, drawings. Time-Life Books, Time-Life Building, Chicago, Ill. 60611. $3.95.

POLITICS AND THE REGULATORY AGENCIES, by William L. Cary. 149 pages. McGraw-Hill Book Co., 330 West 42nd St., New York, N.Y. 10036. $5.95.

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LUTHER MILLER

AS THE EDITOR SEES IT...

ASTIGMATIC MANAGEMENT?—"My employer," writes a railroad chief clerk of 40 years' experience, "insists on 20/20 vision for train and engine service. We reject fine intelligent young men for its lack, only to hire men of lesser calibre who possess it. I think those setting the standards are suffering from a bad case of 'Steam Engine Daze.' With the modern optical industry, there is no longer reason for such restriction. The rule should be relaxed.

"Before writing this letter I talked to many fellow employees asking their opinion and being careful to explain that I wanted a candid opinion. To date I have to get the first dissent. Virtually each one was quick to point out that by the time employees reached the position of engineer and conductor they have to wear glasses. The doctors and optometrists I have talked to also find this rule outdated.

"What do others think? Do the 'policy makers' care to defend their stand?" Well—do they?

THOSE POST OFFICE FINES—The Associated Press carried a news story the other day that raised a lot of hackles among railroad men. The AP reported that the Post Office since Jan. 1 had fined railroads a total of $127,500 for delaying the mails. The penalties ranged from $35,000 paid by the New York Central to $2,500 paid by the Chicago & Eastern Illinois.

"Do they treat the airlines and the truckers this way?" demanded one reader. The answer is yes—they do. The airlines were fined $19,512 for being late with the post. The fines slapped against mail-hauling truckers (and there are some 12,000 in the Star Route category) hadn't been totted up as of last week.

These fines, we're advised, aren't new; they're just getting bigger, under a new get-tough policy of the P.O.

The Post Office is, of course, a pretty big customer—but is the customer, even such a big one, always right? Unilateral fines based upon the Post Office Department's private definition of what constitutes an "act of God" strike us as a pretty high-handed way of doing business. The Defense Department, also a big buyer of transportation, has no such policy.

And who is the Post Office to complain anyway? When the day comes that we can penalize the P.O. for letting a special delivery letter languish in some dusty bin, untouched by human hand or automatic conveyor belt for hour upon hour, we'll grant the pot the right to call the kettle black.

WHEN DOES IT PAY TO ADVERTISE?—J.B. Arrow of Kansas City was intrigued by a table we published April 3 which listed the passenger revenues of 31 railroads, 1966 vs 1965. He was especially pleased that the Kansas City Southern's passenger revenues increased by almost 18%—and he wonders if this wasn't due in large part to the fact that KCS regularly advertises its passenger trains in a local newspaper.

This brings up the old question: Does a railroad advertise because business is good or is business good because a railroad advertises? We suspect the answer lies somewhere between the two.

Advertising alone isn't the solution to the passenger problem, as the Pennsy found with the costly campaign it waged a year or so ago in behalf of the "Broadway Limited." Pennsy had the product; but a sufficient number of new customers didn't want to buy it.

Does it follow, then, that it pays to advertise only when (1) you know you have a good product and (2) you know the market is there? Not really.

Because how do you know that people don't want your product if you don't let them know it's available? We say it pays to advertise—at least to the point of finding out if a market exists.

Freight and Passenger Car Charts

These charts are very helpful to AAR billing clerks, mechanical engineers, purchasing and stores personnel, car inspectors, write-up men, car foremen, and anyone else who needs a knowledge of car parts and their relation to each other.

The charts include a cutaway diagram of the car and a listing of important parts with arrows showing where the part is located. These charts are a part of standard training programs used on a number of major railroads.

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SUPPLY TRADE

Frank A. Scott will be in charge of the new **General Railway Signal Co.** office to open April 17 at Suite 1218, Peachtree Center, 230 Peachtree Street NE, Atlanta, Ga. Mr. Scott, who has been a sales engineer at GRS's New York office since 1961, was previously signal supervisor, **Maine Central.**

Walter W. Hutchinson has been appointed sales manager at Chicago for **Railway Automated Machinery Co.,** subsidiary of Nationwide Industries. Mr. Hutchinson was formerly midwest district manager of sales and marketing, railway division, **Simmons-Boardman Publishing Corp.**

Gulton Industries, Inc., Schiller Park, Ill., has established a new unit to develop and market a complete line of products specifically designed for the railroad industry. **Daniel Zinn** has been named sales manager for the new railroad products. He has spent the past year studying various product applications for the railroad industry and consulting with railroad personnel.

John P. Moran has been named director, U.S.A. sales, **Rust-Oleum Corp.,** Evanston, Ill. Mr. Moran's new responsibilities include administration of all sales activities embracing the Trade Sales, Industrial, Marine and Railroad Sales Divisions. Mr. Moran was formerly principal factory representative for Rust-Oleum in the upper New York state area for ten years. He previously had been with the Chicago & North Western.

OBITUARY

Walter H. Dominick, 75, who retired in January 1959 as passenger traffic manager, **Delaware, Lackawanna & Western** (now Erie Lackawanna) at New York, died April 3.

William White, 70, chairman and chief executive officer, **Erie Lackawanna,** died April 6 of a heart attack at company headquarters in Cleveland.

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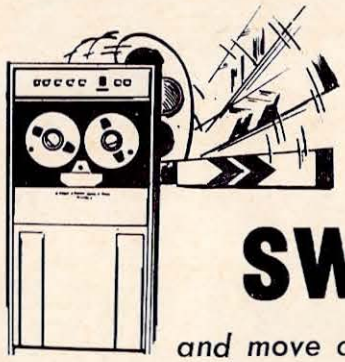

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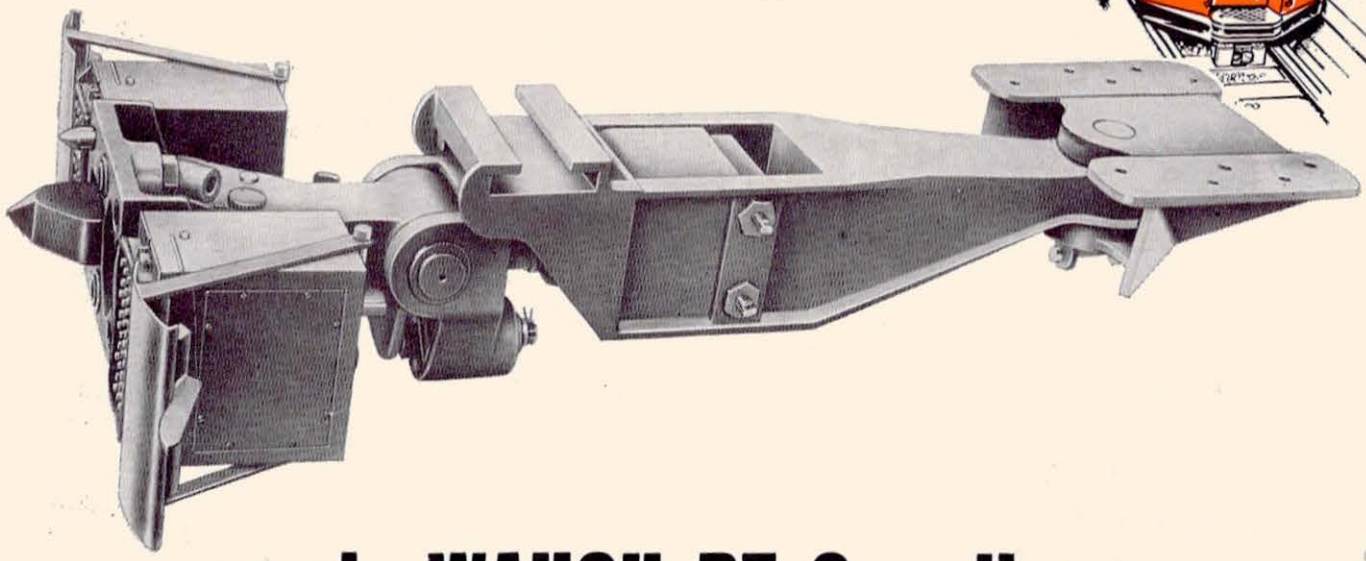

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MARKET OUTLOOK

Carloadings

Loadings of revenue freight in the week ended April 8 totaled 543,761 cars, the Association of American Railroads announced on April 13. This was an increase of 5,842 cars, or 1.1%, compared with the previous week; a decrease of 24,922 cars, or 4.4%, compared with the corresponding week last year; and a decrease of 13,306 cars, or 2.4%, compared with the equivalent 1965 week. Ton-miles generated by carloadings in the week ended April 8 are estimated at 13.9 billion, a decrease of 3.1% below the corresponding week of 1966, and 4.6% above the 1965 week.

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, Apr. 8

District	1967	1966	1965
Eastern, including Allegheny and Pocahontas ..	217,071	227,313	235,434
Southern	118,922	117,325	118,104
Total Eastern and Southern Districts	335,993	344,638	353,538
Northwestern .	59,681	72,893	60,798
Central Western	108,062	113,313	104,407
Southwestern .	40,025	37,839	38,324
Total Western Districts	207,768	224,045	203,529
Total All Roads	543,761	568,683	557,067
Commodities:			
Grain and Grain products	45,480	51,728	48,007
Livestock	1,389	1,538	1,939
Coal	112,057	112,195	104,629
Coke	7,010	8,211	9,219
Forest Products	38,393	39,493	38,133
Ore	21,287	30,482	26,827
Merchandise l.c.l.	5,188	6,808	9,902
Miscellaneous .	312,957	318,228	318,411
Apr. 8	543,761	568,683	557,067
Apr. 1	537,919	544,787	542,094
Mar. 25	529,602	571,095	534,565
Mar. 18	536,962	572,671	543,576
Mar. 11	521,632	557,600	548,736
Cumulative total, 14 weeks ...	7,306,729	7,558,072	7,419,744
Estimated revenue ton-miles (billions) 14 weeks ...	189.7	192.3	175.8

PIGGYBACK CARLOADINGS.—U. S. piggyback loadings for the week ended April 1 totaled 23,383 cars, carrying 39,064 trailers, compared with 20,450 cars, carrying 34,054 trailers, in the corresponding 1966 week. Loadings for 1967 up to April 1 totaled 290,562 cars, carrying 476,695 trailers compared with 270,026 cars, carrying 446,540 trailers, in the corresponding period of 1966.

IN CANADA—Carloadings for the seven-day period ended March 21 totaled 69,273 cars, compared with 73,383 for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
March 21, 1967	69,273	25,696
March 21, 1966	77,358	28,641
Cumulative Totals		
March 21, 1967	793,401	283,915
March 21, 1966	827,343	292,677

NEW FACILITIES

► *Burlington.*—Major projects authorized or under way include construction of a classification yard at Kansas City, Mo., at an estimated cost of $7.8 million; installation of microwave between Galesburg, Ill., and Lincoln, Neb., $1,110,000; construction of a freight-car heavy-repair facility at Havelock, Neb., $500,000; construction of track to serve a Sinclair Petrochemical Co. plant, Ft. Madison, Iowa, $385,000; extension of BREX Yard, Pacific Junction, Iowa, $275,000; and construction of a hopper-car washing facility, Galesburg, $267,000. All projects are scheduled for completion in 1967 except the Galesburg hopper-car washing facility, 1968; and the Kansas City yard, autumn of 1969.

► *Great Northern.*—Plans expansion and modernization of its Interbay Yard, Seattle. The present flat-switch yard will be replaced, under traffic, with a hump yard with electronically-controlled retarders and 16 class tracks. New freight-car repair and office facilities will also be installed. Yard construction is scheduled for completion in 1967; work on support facilities will continue into 1968. According to GN, the number of cars handled through Interbay "has increased 21% since 1962, with Viet Nam traffic currently compounding the congestion. The yard has reached the limit of its capacity by flat-switching methods now used, and the most effective way of increasing that capacity in the area available is by substitution of the much more efficient gravity retarder yard."

► *Permian Basin Railroad Co.*—Has been granted permission by the Interstate Commerce Commission to construct a new 78.25-mile railroad to haul freight in Ector, Andrew and Gaines counties, Texas. Construction costs were estimated at $9,070,288 in 1963. The Permian Basin area has important oil and gas fields, and a portion has extensive agricultural development.

► *Rio Grande.*—Will install approximately 35 track miles of 136-pound welded rail in main track as part of a 1967 rail program costing more than $2.5 million. Included will be 19 miles of track between Grand Junction and Mack, Colo., which was not listed in Rio Grande's original rail-replacement schedule (RA, Jan. 16, p. 135). A welding plant will be set up at Grand Junction in late April, and rail-laying will begin in May. Rail will be welded at the plant into 1,440-ft lengths, and Rio Grande will use two 35-car rail trains to move the strips to the job site. Other welded-rail installations will be made near Westwater, Utah; between Cliff and Woodside, Utah; and on a 7.3-mile line relocation between Glenwood Springs and Chacra, Colo.

FOREIGN

► *Kinki Nippon Railway.*—Ordered two Univac 418 real-time computer systems from Sperry Rand Corp.'s Univac Division at a cost of $1.4 million. The computers will be used initially in a real-time capacity for an automatic seat reservation system for express trains and tourist buses as well as for automatic processing of sales statistics. Kinki Nippon carries more than 1,400,000 passengers daily over electrified, high-speed rail lines in the Kinki and Toaki districts of Central Japan. Its main line connects the industrial centers of Osaka and Nagoya.

YOU OUGHT TO KNOW

New trailer shop for REALCO: The first of several planned trailer maintenance and repair centers has been opened by REALCO, at Norfolk & Western's piggyback terminal in East St. Louis, Ill. The $100,000 shop is designed to provide facilities for virtually every type of trailer work, from routine lubrication to repair of running gear and complete replacement of major components. Palmer Bayer, vice president and general manager of the REA Express trailer-leasing subsidiary, called the fixed-facility planning "a departure from previous REALCO practice." REALCO now has about 9,000 trailers in its national railroad trailer pool; they're assigned to some 70 roads; and REALCO has been handling maintenance and emergency service with a fleet of 13 mobile service units and with reliance on more than 100 contract or commercial repair shops. Says Bayer: Piggyback volume in the St. Louis area "has grown to the point where we found it practical to establish a permanent center."

Decision-day for Erie-Ohio? Opposition notwithstanding, backers of the proposed Lake Erie-Ohio River canal are moving right along. The Army Corps of Engineers' report on the project has gone to the governors of Pennsylvania and Ohio, and they'll have 90 days to file comments. Says Robert Taylor, executive secretary of the Upper Ohio Valley Association (which opposes the canal): "Sending the Engineers' report to the governors is one of the final steps before Congress can be asked for authorization of the canal. The hour of decision is approaching more rapidly than the public realizes." Taylor also charges that the CofE gave no precise figures on the local costs of the project which would be borne by states and communities. The Engineers, he says, "are asking a commitment for hundreds of millions of dollars of tax money without submitting a bill of particulars . . . [The governors] are now asked to express an opinion without most of the basic facts required for a sound analysis."

New records in '67? North American Car posted record earnings in 1966—and President E. C. R. Lasher is looking for another new mark to be set in '67, with earnings up as much as 10%. Meantime, Lasher told the annual shareholders meeting, the company is steadily pushing down the average age of its car fleet: "At present, 49% of our cars are under six years of age, and 69% are under 11 years."

Unemployment costing less: Benefit payments under the Railroad Unemployment Insurance Act, which peaked in 1960, continued to decline through 1966. Railroad Retirement Board figures show unemployment benefit payments totaling $39.2 million last year, down from $60.4 million in 1965 and $78.4 million in '64. Says Thomas M. Healy, management member of RRB: "The reductions . . . despite the decline in railroad unemployment, reflect the continuing successes of job-placement activities, stabilization agreements, the stringent restrictions established by the 1963 legislative amendments, and perpetual effective policing."

Change in mechanical meetings: Mechanical associations have adjusted this year's meeting schedules to take care of the new situation created by cancellation of the October Railway Progress Exposition in Chicago. The AAR Mechanical Division will hold a limited business meeting June 27 and 28 at the Sherman House, Chicago, as originally planned. It has cancelled the meeting originally scheduled for October 12. The Coordinated associations—Air Brake Car Department Officers, Locomotive Maintenance Officers, and Railway Fuel and Operating Officers—will hold simultaneous sessions at the Sherman House on October 9, 10 and 11. Meetings on October 9 and 10 will be full-day instead of the half-day sessions originally scheduled to allow time for viewing exhibits. The morning meetings on October 11 will be followed by the traditional Presidents luncheon.

Truck tonnage: Intercity truck tonnage in the week ended April 1 was 7.3% above the previous week and 6.2% below the volume in the corresponding week of 1966, according to American Trucking Associations.

Current statistics

Net Income	
12 mos., 1966	$902,000,000
12 mos., 1965	815,000,000
Carloadings, revenue freight	
14 wks., 1967	7,306,729
14 wks., 1966	7,558,072
Freight cars on order	
Feb. 1, 1967	51,450
Feb. 1, 1966	45,754
Freight cars delivered	
1 mo., 1967	7,217
1 mo., 1966	7,724
Serviceable cars	
Feb. 1, 1967	1,421,406
Feb. 1, 1966	1,400,413

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VIEWPOINT

Bill White's "luck"—and his legacy

William White had no patience with the "great man" theory of history. "Somebody quits, somebody dies, or you happen to be the right age; so much of it is luck"—that was how he reacted when the news reached him that he had been appointed (in 1952) president of the New York Central.

Twelve years earlier, when he became president of the Delaware, Lackawanna & Western, he similarly brushed aside the plaudits of his admirers. "I've managed to be at the right place at the right time," he said. "I learned as a boy that one has to press his luck."

Bill White's luck carried him from a $20-a-month clerkship on the Erie at 16 to his first presidency at 43. It appeared to have run out when a proxy fight drove him off the New York Central in 1954. But Bill White was no quitter. He promptly accepted the presidency of the Delaware & Hudson; and nearly a decade later, one year past normal retirement age, he took on (as an extra burden) one of the least enviable jobs in the railroad industry—the chairmanship of the then faltering Erie Lackawanna. His last four years were crowned with spectacular achievement. He set a timetable for getting the Erie back into the black, and he met it, with months to spare.

WILLIAM WHITE
(1897-1967)

Bill White died in Cleveland on April 6, still on the job—not long after Commissioner Charles Webb of the ICC had credited his "superb management" with having pulled the Erie from the brink of bankruptcy.

Bill White was a man who built not for the present alone—but for the future. In more than half a century of railroading, he also built for himself a singular place in the hearts and minds of his colleagues. One of them, Katy President John W. Barriger, was moved to write the following tribute:

"The verse of scripture, '. . . Know ye not there is a Prince and a Great Man fallen this day in Israel' (2 Samuel, 3:38), flashed into mind upon receipt of the sad message reporting Bill White's death. Truly, he was both a Prince and a Great Man, in the best literal and figurative sense of both descriptive terms.

"He had been the chief executive of a railroad continuously since 1941, and 26 years of service in that senior capacity represented a noble achievement. Within the present century, only L. F. Loree, Daniel Willard and Ralph Budd occupied similar posts for equal or longer terms.

"It follows that Mr. White during the last decade was recognized as the dean of the present generation of railroad officers in addition to being an elder statesman of their industry. In each of the manifold responsibilities and disciplines in which a railroad president must manifest ability and capacity, he evidenced equal excellence and superior talent.

"His clarity of mind, facility of expression and impressive bearing made him one of its most effec ive spokesmen. The dynamic synergism of his many capabilities together with his exemplary character endowed him with a constructive influence not only within the councils of his industry but also externally within those of leaders of government, business, finance and labor. Through an unusual breadth of experience and range of in'erest, Bill White developed into the whole man—and the full circle, for no spoke of the wheel or part of the circumference was missing.

"Bill White will be remembered with esteem, admiration and affection by all who knew him for as long as they live. Beyond that time, were there a Railroad Hall of Fame where the memories of great railroaders who have passed on could be enshrined to inspire those who will follow, a prominent place would be assigned to its tribute to William White."

on guard

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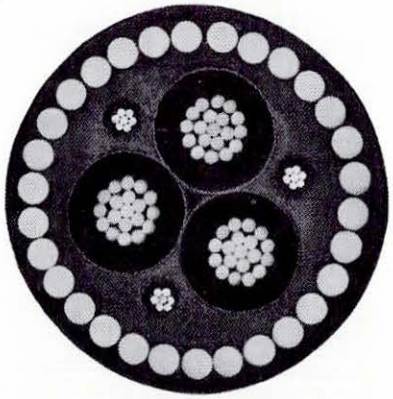

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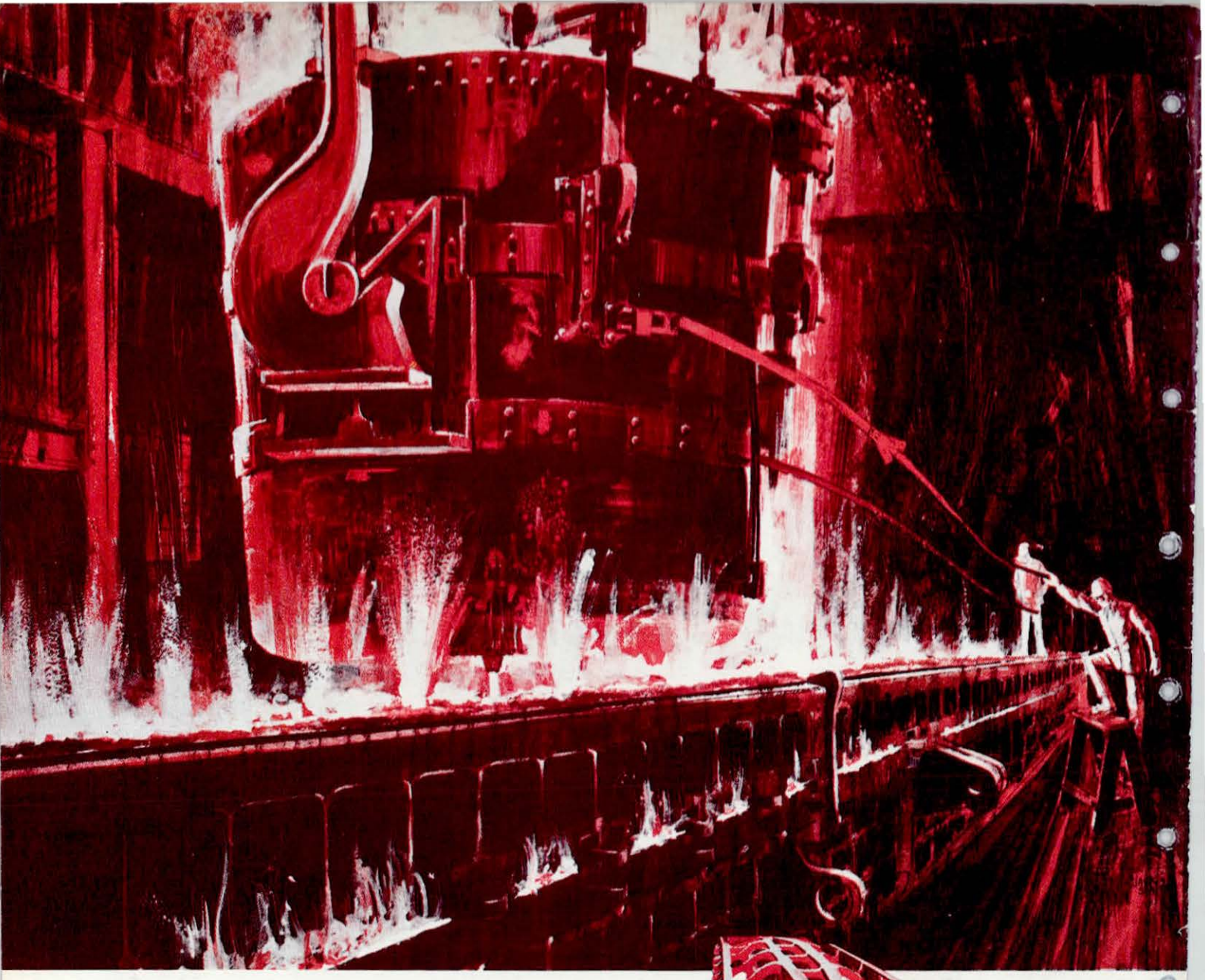

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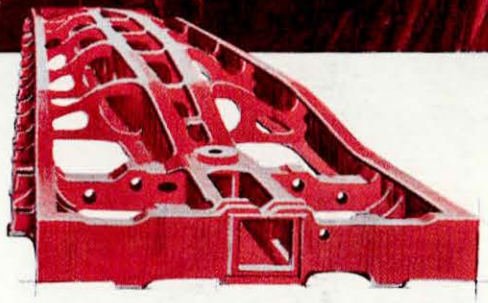

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